

2007/08

# GREATER TZANEEN MUNICIPALITY



## ANNUAL REPORT

Annual report on service delivery progress and challenges for the 2007/08 financial year.

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## **Mayors Foreword**

Let me appreciate the opportunity given to me to present to you this annual report, for the 2007/2008 financial year. It has been one of those toughest and testing seasons, like many others, where as Greater Tzaneen Municipality, we have again ensured that we put all systems in place, all efforts together and all programmes running, with those limited resources at our disposal, to deliver quality services to all our people. We have not, and did not deviate from the mandate as carried in vision of our institution, of ensuring that every household have access to basic services.

My acknowledgements go to all Councillors for their collective efforts, with the interest of the community in their hearts, to have provided good leadership and to have demonstrated the spirit of working together with our people in order to improve all their lives. Having achieved many successes within this financial year, you will however, agree with me that more needs to be done to continue with the creation of better life for all.

The Municipal Manager, Managers of different department, Head of Divisions and all our staff in general, your collective efforts can never go unnoticed. You are always making us proud as you try very hard to make our Municipality a winning Municipality. Let's gather again all the momentum and make Local Government work better for all people within our boundary.

Our priorities, as carried in our Integrated Development Plan, are always demanding of us to ensure that we fulfil them. We are well aware that Water, Sanitation, Electricity Houses, Roads, is what our people need.

Allow me to give you some highlights of what this Government has delivered in this Financial Year.

## **WATER AND SANITATION**

Let me indicate that we are still able to deliver purified water to many of our villages our township and our Town Tzaneen for all residents. 24 boreholes were also upgraded in different villages, with funds from PREMIER EMERGENCY FUND. 6121 VIP toilets were improved / delivered.

## **ELECTRICITY**

Besides the fact that we were able to electrify more than 7 villages in Financial Year 2006/7, in the financial 2007/8, villages such as Sedan and others have been electrified. The funds that are at our disposal will allow us to deliver electricity to **Mafarana, Ntsako, Mulati – Berlyn, Mugwazeni and Lefara**. We will however work hard to ensure that we reduce the backlog of delivering electricity in other villages.

## **HOUSES**

We always remain proud of the award we have achieved from Mawa. However, many other houses have been delivered in other villages thereafter.

- 100 units at Mabjepelong
- 100 units at Morwasehla
- 100 units at Mothomeng
- 100 units at Murapalala
- 100 units at Madumane
- 100 units at Sedan

We all have seen the development of Dan Extension 1 and 2 which is being completed where 500 units have been built. We believe that the 500 units at Mbambamencisi will also be dealt with at a quicker pace.

## **ROADS**

- We have made a point that all funeral roads are graded and accessible.

- Access roads have been upgraded.
- New access roads are underway at Morironi and Sedan as well.
- About 622m<sup>2</sup> of stone pitching has been done
- About 188km in total, of grave road was constructed.

I may not give all details of the services we have delivered since this report will capture every aspect within the spectrum of the delivery of quality services at large.

I must again acknowledge that there were challenges that which, at some point in time, were hindrances to our pace of delivering services. I must also assure you that our planning is above those challenges and with the passing of time and the accumulation of resources, these challenges will then be addressed.

Lastly, I pay my sincere thanks to our community's stakeholders, Traditional Leaders and all people in general, for supporting all the programmes of our democratic Government and for creating platform of making our Local Government work better for its entire people.

**Thank You**

**Alderman OJ Mushwana**

**Mayor**

## LIST OF ABBREVIATIONS

<b>AMEU</b>	Association of Municipal Electricity Undertakings
<b>ARV</b>	Anti Retro Viral
<b>CBD</b>	Central Business District
<b>CBO</b>	Community Based Organization
<b>CBP</b>	Community Based Planning
<b>CPA</b>	Community Property Association
<b>DBSA</b>	Development Bank of Southern Africa
<b>DGCF</b>	District Communicators Forum
<b>DLTC</b>	Drivers License Testing Centre
<b>DME</b>	Department of Minerals and Energy
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>EU</b>	European Union
<b>GCF</b>	Government Communicators Forum
<b>GTM</b>	Greater Tzaneen Municipality
<b>HR</b>	Human Resource
<b>ICT</b>	Information Communication Technology
<b>IDP</b>	Integrated Development Plan
<b>IMASA</b>	Institution of Municipal Administration for Southern Africa
<b>IMATU</b>	Independent Municipal Association of Trade Unions
<b>JAQ</b>	Job Analysis Questionnaires
<b>JOC</b>	Joint Operational Centre
<b>LDV</b>	Light Delivery Vehicle
<b>LED</b>	Local Economic Development
<b>LGCF</b>	Local Government Communicators Forum
<b>LIBSA</b>	Limpopo Business Service Agency

<b>LSSC</b>	Local Inter-Sectoral Steering Committee
<b>LLF</b>	Local Labour Forum
<b>MPCC</b>	Multi Purpose Community Centre
<b>NDPG</b>	Neighborhood Development Grant
<b>NGO</b>	Non Governmental Organization
<b>PEIG</b>	Premier Emergency Infrastructure Grant
<b>PHP</b>	Peoples Housing Programme
<b>POF</b>	Public Off-loading Facility
<b>PMS</b>	Performance Management System
<b>REDS</b>	Regional Electricity Distributors
<b>RDP</b>	Reconstruction and Development Plan
<b>RSC</b>	Regional Service Council
<b>SABC</b>	South African Broadcasting Corporation
<b>SABS</b>	South African Bureau of Standards
<b>SALGA</b>	South African Local Government Association
<b>SAMWU</b>	South African Municipal Workers Union
<b>SANS</b>	South African National Standards
<b>SAPS</b>	South African Police Service
<b>SDF</b>	Spatial Development Framework
<b>SEDA</b>	Small Enterprise Development Agency
<b>SONA</b>	State of the Nation Address
<b>TSC</b>	Thusong Service Centre (same as MPCC)
<b>TCE</b>	Total Control of Epidemic

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## **1. OVERVIEW OF THE MUNICIPALITY**

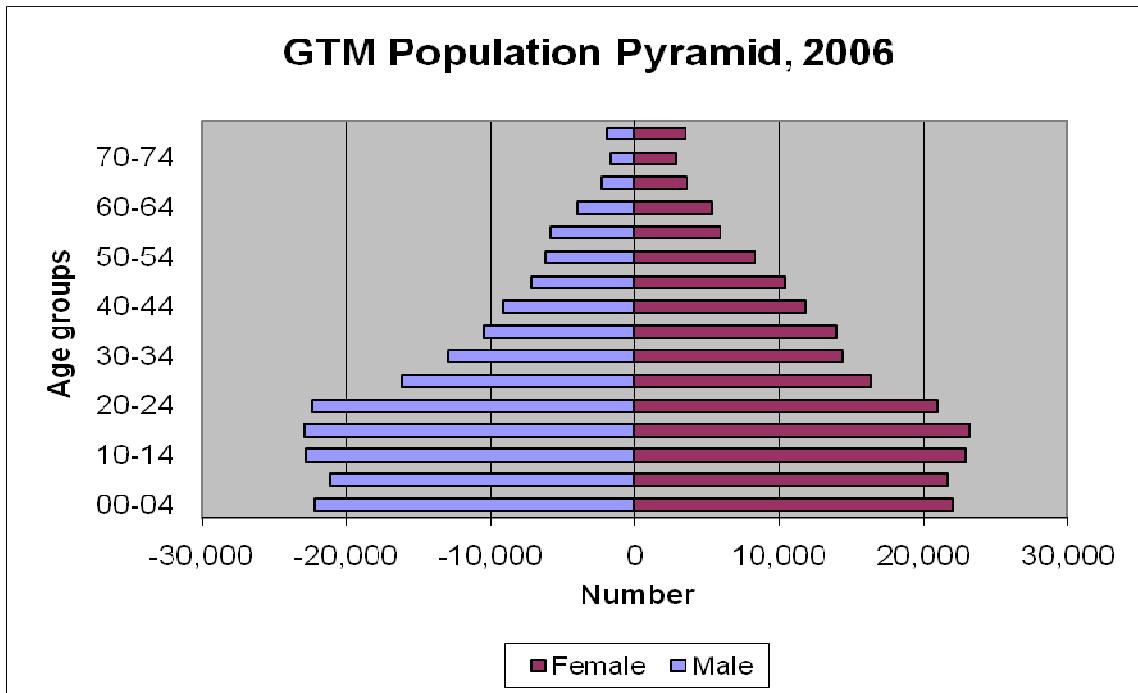
### **1.1 Geographical location**

The Greater Tzaneen Municipality is located in the Limpopo Province of South Africa. The municipal area is approximately 3240 km<sup>2</sup>, and extends from Haenertsburg in the West, to Rubbervale in the East (85km), and just south of Modjadjiskloof in the North, to Trichardtsdal in the South (47km). The municipal boundaries form an irregular, inverted T-Shape, which has developmental implications for the Municipality, more specifically a huge distance to markets, difficulties in respect of service provision, and constraints to development. The Greater Tzaneen Municipal area encompasses the proclaimed towns of Tzaneen, Nkowankowa, Lenyenye, Letsitele and Haenertsburg. In addition, there are 125 rural villages, concentrated mainly in the south-east, and north-west, of the area. Almost 80% of households reside in these rural villages.

### **1.2 Socio-Economic Profile**

Greater Tzaneen Municipality is characterised by a very youthful population with 56% of the population being younger than 24 years of age (the population pyramid for GTM is illustrated in Figure 1). Females outnumber males with 111 females for every 100 males, in other words 52% of the population is female. The average annual growth rate from 1996 to 2006 was 1.2% with an estimated population of 396,711 in 2006 (Global Insight Database). The unemployment rate in the municipal area increased from 36.5% in 1996 to an estimated 41.4% in 2006, according to the Global Insight data base. This coincides with a decrease in the percentage of the population with formal employment from 43.8% to only 28.3% in 2006. The Gini- coefficient for Greater Tzaneen Municipality increased from 0.59 in 1996 to 0.65 in 2006, meaning that inequality have actually increased, with the gap between the rich and the poor increasing.

**Figure 1: GTM Population Pyramid, 2006** (Source: Global Insight)



### 1.3 Service Delivery Priorities

The service delivery priorities of the Greater Tzaneen Municipality are informed by the powers and functions of the institution. The Integrated Development Plan (IDP) is the principle guide to all development initiatives. Through a strategic planning process the service delivery priorities was mapped out to form a balanced strategy map to guide service delivery in achieving our vision “To be the fastest growing economy in Limpopo where all households have access to basic services”. The Key Performance Areas (KPAs) identified are Economic Growth, Social, Environmental sustainability and infrastructure development as well as Good Governance and Administration. A summary of the service delivery backlogs are included as **Annexure A**.

## **2. PERFORMANCE HIGHLIGHTS PER DEPARTMENT**

### **2.1 Community Services**

The Community Services Department is responsible for ensuring environmental health, providing library services and waste management services as well as the development and maintenance of all parks and recreational facilities. The performance highlights per service is as follows:

#### **2.1.1 Environmental Health**

##### **a) *Community health***

###### ***Achievements:***

- The Community Health section is responsible for the coordination of HIV/AIDS issues. We have in the past year supported the activities of 27 non governmental Organizations operating within our area of jurisdiction.
- Three ARV sites have been established, with an additional one in CN Phatudi being processed
- We can report that through the awareness campaigns and the TCE project the total number of patients tested and awaiting results for inclusion in the ARV treatment programme is 4808.
- We have been selected as a municipality to participate in the SALGA driven Centre for Municipal Research and Advice on HIV/AIDS response bench marking.

###### ***Challenges:***

- There is an increase in the number of people who go for Voluntary Counseling, but these numbers do not translate into numbers of people who actually test so that they can know their status and management of the disease.

- Our financial situation has made it difficult to raise the level of awareness through planned interventions and programmes

**b) *Environmental health***

***Achievements:***

- Food hygiene management: A total of 163 formal food handling premises were evaluated with an average rating of 86%. 114 Milk samples were taken with only 5% not complying with South African National Standards.
- Environmental management: This unit participates in Environmental Management Forums. It has for two successive years participated in the assessments of the WESSA/WWF-SA Eco schools. It has ensured the continued running of the Cleanest School Competition applying different approaches each year to keep the competition interesting
- Industrial Impact management: A total of 97 industrial premises were evaluated with an average rating of 78% which is a 2,8% improvement from last year.
- Since the out break of Cholera in the Province, we have been able to set out a total of 22 Moore pads at strategic places and we are happy to report that no Vibrio Cholerae was isolated in all the samples.

***Challenges:***

- The growth of the town and establishment of new residential areas has increased the work load for this division. This is further exacerbated by the increase in incidences of communicable diseases such as Malaria and Cholera for which passive surveillance and contact tracing must be done.

**2.1.2 Library Services**

*a) Library Development and Reading Promotion*

***Achievements:***

- 90,268 library users benefited from the information resources available in the libraries.
- 110,199 books/magazines were circulated.
- 84 School groups were hosted.
- 1005 Relevant books were donated to the GTM libraries via the GTM library Committees, processed and included in the library collections.
- 315 Relevant books were donated to farm or village schools via the GTM Library Committees.
- The HoD Library Services delivered a successful PowerPoint presentation on the Library Service's outreach programmes at the Congress of the International Federation of Library Associations (IFLA) in Durban on 21 August 2007. Her paper has been selected for publication in the IFLA journal.
- The HoD Library Services received an award from the Limpopo branch of the Library Association of South Africa (LIASA) for Paired Reading, the presentation at the International Federation of Library Associations and regular contributions to the LIASA magazine.

***Challenges:***

- Communities from all over the Greater Tzaneen Municipality area and beyond use the Greater Tzaneen Municipal libraries. For communities outside Tzaneen, Letsitele and Haenertsburg transport costs are a factor, impacting negatively on the disadvantaged.
- The high cost of establishing and operating much needed new municipal libraries, the insufficient delivery of relevant new books by the Provincial Library Services and the poor management of the National Treasury Library Grant by the Provincial Library Services are the main challenges facing the GTM Library Services.

**b) Book related Arts and Culture programmes**

***Achievements:***

- 5 Holiday programmes were hosted, with the emphasis on arts and crafts, using inexpensive materials.
- 10 Full-scale and 8 smaller cultural events were hosted. The highlights were the creative writing workshops presented by internationally renowned Belgian writers, poet Daniel Billiet and youth novelist Marita de Sterck from 17 - 21 September 2007.
- 536 Learners participated in the annual library competition.

***Challenges:***

- The Book related Arts and Culture programmes presented by the GTM Library Services rely on the goodwill and support of the Library Committees, donor organisations and the local business community. Their generosity is appreciated but unpredictable.
- There is an ever-increasing demand from the public for the programmes, which are costly in terms of time.

**2.1.3 Parks and Recreational Facilities**

***a) Parks and open spaces management***

***Achievements:***

- 8,293,785m<sup>2</sup> of grass was cut
- 1,683,739m<sup>2</sup> of grass was slashed
- 108 termite nests were eradicated
- 55 dangerous trees were removed

***Challenges:***

- Very old lawn mowers that are in constant need of repair impacts negatively on the productivity of the division.
- The vehicles utilised by the division is also very old and regular breakdowns result in teams not reaching their work places. In some instances contractors needs to be utilised to ensure that services are rendered.

***b) Recreational facility management***

***Achievements:***

- 96 booking were made at the projector room
- 40 bookings were made at the clubhouse
- 310 bookings were made at Nkowankowa community hall.
- 470 bookings were made at Lenyenye, Julesburg and Nkowankowa stadiums

***Challenges:***

- Vandalism at recreational facilities, especially at the Lenyenye stadium
- Sport and recreation by - laws are not clear to the community.
- Permission of bookings is done by more than one official and this creates confusion.
- Water shortage at the Lenyenye stadium
- Olympic swimming pool closed due to the non availability of funds for the major maintenance that is required.
- Funds for maintaining community sports grounds in the rural areas of the municipality.

***c) Cemetery management***

***Achievements:***

- 175 adults, 24 children, 9 paupers and 4 Muslims were buried
- 10 graves were re opened for a second burial.
- 04 graves were exhumed (1 at Nkowankowa B Section and 3 at Rhelela)

***Challenges:***

- Availability of land to extend existing cemeteries or establish new cemeteries for Lenyene and surrounding areas
- Funds for renovating the ablution blocks that were built.
- Funds for maintaining cemeteries at GTM rural areas

**d) *Sport, Arts and Culture Support***

***Achievements:***

- 10 indigenous games coaches for various games
- 19 Clubs were registered Sport and Recreation sport Council
- 9 committee members responsible to organize sport within Greater Tzaneen Municipality
- The District Indigenous games at Maruleng Municipality on the 21 July 2007 where 5 District Municipalities attended
- The Provincial Indigenous game were at Polokwane Cricket Club on the 17-19 August 2007 and 5 district Municipalities attended and Codes participated
- The National Indigenous games were held at East London on the 28-04 September 2007 and only GTM attended and won 6 gold medals
- The Mngana Lonene Indigenous games were held on the 20 October 2007 at Giyani

- A Woman in sport workshop was held at Polokwane in October 2007
- A consultative mass meeting with federations by Sport Council
- On the 1 November 2007 Julesburg Hub received sport equipment from the Department of Sport Art and Culture i.e. 8 Helmets, 2 Volley balls, 3 club files, 1 Soccer ball, 1 stapler, 2 Nchuva boras, 1 Dibeke balls and 1 Ruby ball.
- Relela Hub received sport equipment from Department of Sport Art and Culture. i.e. 1 Bag, 2 Balls, 3 Helmets, 4 Ces cover, 2 Leg protectors and 1 box of 12 top and bar mudas
- The District Inter hub was held at Julesburg on the 08 March 2007. Indigenous and OR Tambo games were participated.
- The Sport Administration Training Programme was held on the 10-14 October 2007 at Tzaneen Fairview Lodge.
- 17 Soccer Clubs are registered under the GTM Foot Ball Association.
- 3 Clusters were identified for Sport Development in the GTM area i.e. Bulamahlo – Makhubudung Soccer Club and Bugsersdorp Netball Club; Lesedi-Nkowankowa Boxing Club and Nkowankowa rugby Club; Relela-Relela Ladie Soccer and Rhelela Athletic Club.
- The District O.R. Tambo Games were held at Giyani stadium on the 21 June 2008 and 5 District Municipalities attended i.e. Mopani, Vhembe, Waterberg, Sekhukhune and Capricorn
- 10 Monthly meetings were held by Sport and Recreation Council, 8 Special meetings and 2 General meetings.

***Challenges:***

- Transport to attend meetings

**e) *Heritage and Museum***

***Achievements:***

- A Video shooting for preparation of Arts and Culture Festival at Tsonga Kraal was held on the 05 June 2008. Four groups performed during shooting i.e. M.D. Shirinda, Mango Cultural group from Mamitwa, Shikwambana Cultural group from Mamitwa and Artist from Venda and Giyani.
- A Video shooting was taken at Tzaneen Dam on the 06 June 2008 with Jerry Mofokeng and the association. Four groups performed i.e DJ Grace, Maloabotsheba, Sekgaba sa Lenyenye and Artist from Venda.
- An Art and Culture Cluster Competition at Bulamahlo and Lesedi was held on the 07 June 2008.

**2.1.4 Waste Management**

**a) *Waste Minimization***

***Achievements***

- Formal recycling system to be implemented. = 1 x C.D.B. project / region / annum
- 100 % operational composting plant exists adjacent to the Landfill
- Rural Waste Minimization [on-going-school] to be implemented at 8 x schools {2 x clusters} / annum
- P.O.F. Example (Public-of-Loading Facility at Rural Schools)
- P.O.F. Example (Public-of-Loading Facility)



- Clean-up Runnymede Cluster @ Nkambako 02 August 2008



### **Challenges**

- Gas extraction system on the landfill site to be investigated
- Rural Waste Minimization [on-going-school] to be implemented at 8 x schools {2 clusters} / annum

### **b) Waste collection and Transportation**

#### **Achievements**

- 160 000 m<sup>3</sup> non-compactified solid waste of all residential, business, industrial and health care waste are removed @ annum.
- A full (100%) kerbside collection service is rendered to all communities in the following suburbs of Greater Tzaneen Municipality, which represents only 11% of all households viz:-
  - Nkowankowa
  - Lenyenye
  - Letsitele
  - Haenertsburg
  - Tzaneen
- All streets & main roads are cleaned on a regular and periodic schedule from all debris and solid waste [5312m<sup>3</sup> / annum ]
- All public taxi - & bus ranks are continuously serviced and cleaned on a pre-determined schedule

- Health Care Waste storeroom was erected at the Landfill
- Stand-by vehicles were provided

***Challenges***

- The service needs to be extended to include: ±129 Villages or another 80,034 residential stands, which are situated within the jurisdiction area of G.T.M.
- The mandate of GTM is to provide all households with a basic removal service
- Need a Health Care Waste removal vehicle.
- Tender for extended service delivery to be awarded
- Additional budget requirements of ± R 12,000,000-00 to extend M.S.P.'s to Rural Areas

**c) Waste disposal and treatment**

***Achievements:***

- 1 permitted landfill-site 4 km. from Tzaneen. [11 ha in size]
- Fully permitted from 1/12/2004 as a General Medium Balance (GMB) site
- Landfill being managed by a M S P (Waste Group Ingwe) in compliance with spec's from the Integrated Waste Management Plan (IWMP)
- Managed in accordance with construction plan – cell building method.
- Health care waste. being collected & treated in terms of the Health Act manifesto

***Challenges:***

- PERMIT-investigate closure permit of landfill
- Design / construction plan & 3D model to be developed

**d) Pollution control**

***Achievements:***

- 10 public toilet blocks managed by Tzaneen Solid Waste viz:-
  - 6 block at Tzaneen
  - 1 block at Nkowankowa
  - 1 block at Letsitele
  - 1 block at Haenertsburg

- 1 block at Lenyenye (Non operational)
- Blocks open for 12 hours daily
- Cleaning and disinfecting of blocks every 2.5 hours
- Provision of toilet paper to public free

***Challenges:***

- Policing of illegal dumping No regular policing
- Court procedures – lack of municipal court/sentences
- Facilities management , personnel & infrastructure to be transferred to a dedicated Division for the purpose

## **2.2 Corporate Services**

The Corporate Services Department is responsible for providing legal services and administrative support to Council and administration, also to ensure proper human resource management and to coordinate the communications, public participation and marketing efforts of council. The performance highlights per service is as follows:

### **2.2.1 Administrative Support**

#### ***a) Council and Exco support***

During the period under review the following Council and Executive Committee meetings were conducted:

- Ordinary Council Meetings: 4
- Special Council Meetings: 4
- Ordinary Executive Committee Meetings: 19
- Special Executive Committee Meetings :

Nine questions of which notice has been given and two motions were received. All meetings were conducted in terms of the provisions of the Municipal Structures Act 117

of 1998. All agendas and minutes were distributed timeously but we work towards the goal that agendas and minutes be distributed electronically to all role players. In order to achieve this, laptops will have to be bought for all concerned (Councilors etc.). In the long run this financial implication will be to the benefit of the Council. Administrative Support is also given to the Mayor, Speaker and other full-time Councilors. Some of the achievements and challenges are depicted as follows:

***Achievements:***

- Implementation of decision management on Collaborator.
- A client satisfaction rating of 76.3% was achieved.
- All council agendas were distributed within prescribed time period.
- All minutes of meetings were completed within the prescribed time period.
- Statistics of attendance of Councilors to Council and Executive Committee meetings were kept in the prescribed manner.
- All minutes of meetings were typed within 3 working days from receipt.
- The establishment of an Events Coordinating Committee.
- Items are distributed to departments within 10 working days from the meeting date

***Challenges:***

- Timeous submission of Council and Executive Committee items by departments for inclusion in agenda.
- Timeous comments by departments on Council and Executive Committee items.
- Attendance of Council meetings by the public.
- Improved attendance of Council and Executive Committee meetings by members of the different Traditional Authorities.
- Upgrading of Council Chambers and Conference room as regards to air conditioning and furniture.

- Due to financial constraints the proposed twinning agreement with Matola Municipality can not be finalized.
- Training of personnel (financial constraints)
- The lack of office space and equipment.
- Encourage involvement of communities in matters of Local Government.
- The establishment of an Oversight Committee.

***b) Cluster, study group and committee support***

In order to assist the Executive Committee to discharge their responsibilities contemplated in the Structures and Systems Act, the council has established Section 80 Committees as working committees (Study Groups) of the Executive Committee. The following clusters were established:

- Economic
- Social
- Infrastructure
- Governance and Administration
- Finance
- Sport, Arts and Culture
- Special Committee

The different study groups resort under each cluster. The study groups are mandated to research and make recommendations on specific topics in their field i.e. public participation, communication, water electricity etc. In this way councilors play a leading role in the decision making process and also give political direction on matters serving before the Council. Presently all items are referred to the relevant Study Group to make a recommendation to the Executive Committee. In this way councillors take ownership of the

items that are submitted to council. 52 meetings were held by the Cluster Committees/Study Groups. Meeting support is however also rendered to the following committees:

- Airfield Control Board
- Local Labour Forum
- Management meetings
- Remuneration Committee

***Achievements:***

- Number of Study and Cluster group meetings arranged in time.
- Minutes completed and typed within the prescribed time.
- Implementation of items tracking and resolution management process.
- Support to Council and all its Committees.

***Challenges:***

- Ward Committees to submit the needs of the communities to the different Clusters/Study Groups.
- Generation of items by Departments to the Clusters/Study groups.
- Timeous submission of items to the Clusters/Study groups by departments.
- To prevent submission of items to Clusters/Study groups on the meeting date.
- Comments by departments within prescribed time period.
- Attendance of meetings by all role players.
- Adherence to starting times of meetings.
- Better utilization of Study Groups.
- To distribute agendas and minutes electronically to all role players.

*c) Records management*

***Achievements:***

- The Electronic Records processes implemented fully functional and utilized, namely:
- Workflow of incoming and outgoing correspondence
- Workflow of memorandums
- Filing of e-mails
- Distribution of faxes
- Customer Care (workflow of registered telephone queries)
- Item preparation and circulation
- The in-house workshop was provided by the Admin Officer (Records) to all users on Records procedures and circulation of items.
- Full time Collaborator support consultants available to assist with daily problems experienced by users.
- Full time technician from Xerox available to assist with problems experienced with machines on a daily basis.
- Reduced movement of files.
- Regular visits by representatives of other municipalities to gain first hand knowledge of our records office.
- A new service provider has been appointed to provide photo-copy machines.
- A high client satisfaction rating has been achieved.
- Compliance with Batho Pele Principles.
- Reprographic services are rendered within two working days.
- Faxes are delivered timeously.
- Messenger services are executed within one working day.
- The post is opened on the same day of receipt.
- Diary services are rendered within three working days.

***Challenges:***

- Lack of sufficient office space and storage equipment (e.g zippel cabinet).

- Proper risk measures not fully exercised due to financial constraints.
- Failure in implementation of the new approved File plan due to lack of filing storage.
- Lack of internal support in terms of handling external telephone enquiries via switchboard.
- Lack of internal support with attendance of files by departments as tasked by co-departments.
- Failure to be supplied with materials needed to execute daily activities (e.g materials out of stock on a regular basis).
- The effective use of collaborator by all personnel (system is people driven).

## 2.2.2 Communications and Marketing

### a) *Internal and external communication*

Internal and external communication is guided by the Communication policy and strategy as approved by Council. The primary objective is to ensure that the Municipality both Council and management articulate common messages in an efficient, coherent and coordinated manner.

#### *Achievements:*

- Promotion of positive and pro-active media and stakeholder relations. Handling media liaison interventions. Provision of media support during government events. Media release and adverts produced as required. Organising media briefings for EXCO and management.
- Monitoring, evaluation and analyzing print media on weekly basis
- Development, review and implementation of communication strategy.
- Managing and administrating bulk buying of airtime for sms'es.

- Facilitation of Local government communicator's forum and participation in the District government communicator's forum and Provincial government communicator's forum
- Redevelopment and updating of website
- Production of quarterly internal and external newsletters
- Management of the internal resource centre and information giving to clients on demand
- Integrated communication programmes implemented through events and recording footages

***Challenges:***

- Implementation of the Communication Strategy remains a challenge as there is a lack of compliance especially for internal communication requirements such as monthly departmental meetings; divisional meetings that could assist to disseminate information to lower level officials.
- No dedicated budget for communication programmes as per communication strategy.
- Communication division not properly located, and resourced.
- Lack of response by Management for negative coverage by Bulletin

***b) Marketing, advertising and branding***

***Achievements:***

- Exhibitions were organized for the Local Letaba Fresh Show and during functions
- Print and radio adverts produced as required
- Dissemination of information through media releases
- Draft Marketing strategy in place, however pending Council approval

- Customer relations activities practiced daily with a Batho Pele Committee established to monitor.
- Provide branding and promotional material during events and functions

***Challenges:***

- There is no consistency in the official usage of the coat of arms
- Very limited budget allocation for marketing activities, advertising and campaigns.
- Rebranding Council assets due to the new Coat of arms will required capital funding that was allocated and withdrawn without reasons.
- Lack of personnel responsible for marketing.
- Lack of training courses for personnel

### **2.2.3 Human Resource**

**See Chapter 3.**

### **2.2.4 Legal Services**

To provide specialised Legal Services including Contract Management, Policy development and by-laws drafting to ensure sound administration and Management of the Council of Greater Tzaneen Municipality

**a) Legal opinions**

***Achievements:***

- Provision of 155 written and verbal opinions

***Challenges:***

- Introducing specialization with the activities of the Municipality in order to be of better service to the Municipality as a whole.
- Ensure that submissions received are qualitatively better, comprehensive and legally sound in order to explain the legal problems experienced.
- To deal with the legal problems within the time frames of the Department and division for efficient service delivery.

***b) Service Level agreements and Contracts***

***Achievements:***

- Drafting of Service Level Agreement- 120 contracts has been drafted.
- 58 in-house Contracts

***Challenges:***

None

***c) Policies and By-laws***

***Achievements:***

- 21 by-laws were facilitated
- Local Government has taken over the process of Gazetting By-laws and the deadline for completion of all by-laws is made 31<sup>st</sup>

***Challenges:***

None

***d) Disciplinary hearings***

***Achievements:***

- 12 Disciplinary hearing were held from the financial year of 2007 and all of those were finalised.

***Challenges:***

None

***e) Debt Collection***

***Achievements:***

- Drafting the Legal Contracts, Monitoring performance of Service Providers

***Challenges:***

None

***f) Litigation***

***Achievements:***

- In the litigation prone environment under which the Municipality operates the Legal Division handled eight civil cases and 4 civil cases are still outstanding, 3 were successfully defended and 1 lost.
- We have managed to dispose of 3 applications for the eviction of squatters inn the Letaba River, Nwamitwa and next to Talana Hostel. All these application by Council was successful.

***Challenges:***

None

**2.2.5 Public Participation and Project Support**

*a) Ward committee support*

***Achievements:***

The division managed to sustain 32 ward committees which are still functional to date. In preparation for the new ward committee the division managed to conduct 32 stakeholders meeting in preparing the establishment notice. The following wards managed to establish new ward committees:

- Relela Cluster (Wards 7,8,10,11)
- Runnymede Cluster (Wards 4,5,6)
- Lesedi Cluster (Wards 31,32)

***Challenges:***

- Councilors are not serious with the program and tend to postpone dates previously established.
- Capacity of ward committee members
- Payments of stipends
- Overtime payments for officials

*b) Community Based Planning (CBP)*

***Achievements:***

- DPLG appointed service provider to train ward committee members in CBP.

***Challenges:***

- Funding is awaited from DPLG to start with the review of the CBP in the wards.

*c) Project support*

***Achievements:***

- The division managed establish project steering committees and appoint community liaison officers on the following projects:
  - Marirone Access Road
  - Modjadji to Mavele Access Road
  - Thabina Bulk water scheme
  - Thabina Soil Conversation
  - Tzaneen Landfill
  - Mamitwa Taxi Rank
  - Sedan Access roads/Internal streets
  - Sedan Electrification
  - Tzaneen Sanitation Project

***Challenges:***

- The biggest challenge is with the district municipality which is not communicating properly before handing over the projects within our area of jurisdiction.

***d) Outreach, Imbizo's and community liaison programmes***

***Achievements:***

- Conducted EXCO outreach programmes
- The Mayor and MEC for Safety and Security honoured a Community Builder of the year 2007 Awards (Sowetan /Old Mutual) at Mopye village.
- Participated in the Imbizo provincial steering committee.
- Keep and update stakeholder database.
- Liaison with stakeholders and communities at the farms and made interventions.

***Challenges:***

- Lack of compliance to council communication policy and communication strategy
- No dedicated budget for the calendar for events, projects; outreach and Imbizo's
- Lack of quality working tools i.e good quality cameras; A2 size copier for posters
- Lack of resources for local and national construction of marketing exhibition stalls and promotional materials
- Limited budget for marketing campaigns and advertising
- Shortage of staff (the division is understaffed).
- Poor participation of sector departments on LISSC and LGCF/DGCF

**c) Thusong Service Centres**

***Achievements:***

- Services rendered to the community at 4 Thusong Centres by the following sector departments:
  - Home Affairs assisted 2840 people
  - SAPS assisted 1206 people
  - Social Welfare assisted 1436 people
  - SASSA assisted 1868 people
  - Clinic Services assisted 15038 people

***Challenges:***

- Office furniture , Equipment, Water & sanitation still a challenge in the MPCC's.

## 2.3 Chief Financial Officer

The office of the Chief Financial Officer is responsible for providing financial services to council through income and expenditure management, the drafting of the budget, supply chain management and overall financial management. The department is also responsible for ensuring that Council have access to up to date information technology. The performance highlights per service is as follows:

### 2.3.1 Expenditure

#### a) *Asset Register Management*

##### *Achievements:*

- The financial asset register was completed and balanced to annual financial statements without major problems within guidelines set by GRAP/GAMMAP

##### *Challenges:*

At the end of 2009 the full asset register must be GRAP compliant because Tzaneen is a high capacity Municipality and therefore most existing exemptions will fall away. The following specific challenges will have to be addressed:

- Identification of all infrastructure and land
- Evaluation and breakdown of all infrastructure assets
- Determination of useful life of assets
- Impairment of assets
- GRAP, IAS and IFRS standard complaisance of asset register
- Development of compliant asset system
- Lack of personnel to maintain asset register

#### b) *Grants Management*

##### *Achievements:*

Working papers of all Grants reflecting revenue, expenditure and balances were included in the Financial Statements (See Annexure B).

***Challenges:***

The biggest challenge with grant administration is the personnel constraints.

***c) Expenditure management***

***Achievements:***

Council expenditure was accurately accounted for and reflected in the financial statements in line with GAMMAP/GRAP and financial accounting standards.

***Challenges:***

Challenges faced within the financial year was the loss of a senior accountant with many years experience which had the effect that the employees who had to stand in for the senior accountant had to go through the learning curve with balancing and accounting. Also the expenditure section of Council is under staffed which make it difficult to adhere to the division of duties and necessary controls.

***d) Stock management***

***Achievements:***

The annual stock taking with a very low percentage of differences and value of short fall reflected the excellent management and control of GTM stores.

***Challenges:***

- Theft of stock at stores and lack of security
- Large price increases in stock items
- Very slow supply chain process which does not always ensure stock availability at the right price and best quality within reasonable timelines.

### **2.3.2 Financial Services and Budget**

#### *a) Financial Reporting*

##### *Achievements:*

- All financial reports have been submitted timeously during the 2007/2008 financial year

##### *Challenges:*

- To continue submit all financial reports timeously

#### *b) Investments*

##### *Achievements:*

- Funds were invested despite the fact that GTM experienced cash flow problems .R 6 Million were invested on short-term basis

##### *Challenges:*

- To invest all surplus funds when funds are available as GTM still experiences cash flow problems.

### **2.3.3 Revenue**

#### *a) Billing*

Billing is done in those areas where cost recovery is being implemented. At present cost recovery is only done in six towns, i.e. Tzaneen, Haenertsburg, Letsitele, Politsi, Nkowankowa and Lenyenye. The administration of the billing process is done internally by the billing section of the municipality. The process is done electronically and is integrated with the whole financial system which is done on the PROMIS system. Meter

reading services have however been outsourced. Meter reading is also done electronically which makes it easy to download the readings onto the billing system and minimizing human errors. However as part of contract management the municipality has set a 98% target for the service provider in terms of the number of meters read every month.

A more than 98% meter reading rate has been achieved over the financial year. This rate is considered excellent since it is accepted that there will always be meters that cannot be read due to , *inter alia*, inaccessible properties and defective meters.

***Achievements:***

Billing has always been done by the 1<sup>st</sup> of every month. This was significant to ensure that customers receive their statements on time for payment purposes.

***Challenges:***

Some meters in Nkowankowa have reached the end of their useful lives and are no longer registering properly and some are no longer legible. The Mopani District Municipality, as the water authority that is responsible for capital expenditure on water networks, is however busy with the project to refurbish these meters.

***b) Revenue collection***

In order to facilitate the payment for services the municipality has made payment facilities available at all its offices and libraries. Customers can additionally deposit their payments direct into the municipality's bank account or use easy pay payment facilities at any of the participating retailers and at the post office. Customers can also make arrangements for debit orders or salary deductions for paying municipal services

***Achievements:***

With the exception of the towns of Nkowankowa and Lenyenye the municipality has maintained a payment rate of over 99% for the rest of the towns. In these two towns the

payment rate has been at an average of 26% and 38% respectively. This brought the average payment rate to 85%.

***Challenges:***

- Low payment rate in Nkowankowa and Lenyenye

***c) Debt collection***

Debt collection is done as part of the overall credit control function. In the previous year the Revenue function was responsible for following up on outstanding debts up to the point of sending final reminder letters for payments after disconnections had been made and no response received. After this the account would be handed to the legal division to institute legal actions. However in the current year a decision was taken to transfer the debt collection service to the revenue division.

***Achievements:***

In order to facilitate the collection of outstanding debts especially in the towns of Nkowankowa and Lenyenye the municipality has appointed four debt collectors. The appointment of these debt collectors was done after extensive consultations had been made with the residents of the two towns to address the issues that they had raised which led to them not paying for services. The debt collectors have however not as yet started with the process to collect the outstanding debts due to contractual issues that still had to be finalized.

***Challenges:***

Debt collection as part of credit control depends on the municipality having effective method of enforcing payment for services. In the rest of the municipality where the payment rate has been above 99% payment for services has been enforced by cutting the electricity supply. However in the rest of the municipality the supply of electricity is the

responsibility of ESKOM. This makes the cutting of electricity supply not available to the municipality as a means of enforcing credit control. The only option left for the municipality is to cut the water supply to indigent levels, which is as trickle flow to ensure that the residents receive at least 6 kilolitres of water per month. This method however is not proving to be effective in the town Lenyenye since the town itself does not receive a 24 hour availability of water through out the day. In the town of Nkowankowa there is some indication that the residents whose water supply has been disconnected are probably reconnecting themselves illegally. The meter readers have been requested to also check on possible cases of illegal reconnections.

### **2.3.4 Information Technology**

#### *a) Master systems planning*

The Mopani District Municipality is coordinating the development of a master system plan that will inform IT operations and capital spending in total. It is envisaged that this project will be completed by the end of December 2008.

#### *Achievements:*

The structure for the Supply Chain Management Unit was finalized during the current financial year. All the Supply Chain Management Committees as set up were functional and met regularly to consider bids. A total of 31 bids were considered during the financial year and 23 were awarded.

#### *Challenges:*

The appointment of personnel was a challenge during this year. However a process was underway to absorb the temporary employees that were working in the unit. Plans are in place to ensure that all the budgeted for positions will be filled by the end of August 2008.

While the different committees met as indicated above the availability of committee members was a further challenge that resulted in delays in the consideration of certain bids. On average it took 79 days from bid advertisement to award.

***b) IT support services***

***Challenges:***

During the financial year the Head of the Division resigned and due to cost saving measures in place at the time the position was not filled. The responsibility for IT, which to a great extend, involved managing the service provider to whom the service is outsourced, was delegated to the Head of Expenditure.

The cost-saving measures have also had an impact on the replacement of IT equipments which have reached the end of their useful lives. Innovative ways will also have to be considered to address the issue of new desktops and laptops for new officials that have been appointed. At present only the managers and some selected Heads of Divisions have laptops allocated to them.

***c) Network management***

***Achievements:***

The municipality was able to achieve network availability for all users of up to 95%.

***Challenges:***

Due to non-replacement of old equipment the municipality's server crashed at the end of the Financial year. The critical impact of this was on the non-access to the financial system which was necessary for billing purposes. At the same time the UPS also packed up which resulted in the servers receiving power from the main supply without any back-

up system or a system to regulate electricity fluctuations. This is exposing the municipality to severe risk of loss of data and non access to the network.

**d) *Data warehouse***

Due to financial constraints this project was not undertaken. However all officials have access to the main server to save their work centrally. As a parallel and related project the municipality is also busy with an exercise to have full GIS system in place

### **2.3.5 Supply Chain Management**

See Table 22 for information regarding procurement procedures.

## **2.4 Electrical Engineering**

The Electrical Engineering Department is responsible for developing and maintaining the urban and rural electrical network in the GTM area of jurisdiction. The performance highlights per service is as follows:

**a) *Electrical By-laws***

***Achievements:***

Initial total rewrite of Electricity By-Laws. The old By -Laws originated from the 1930's.

***Challenges:***

With the RED's imminent the challenge is for GTM to draft By-Laws that could be considered an industry standard. Extensive use was made of inputs from the AMEU (Associated of Municipality Electricity undertakings)

**b) *Electrification of Farm worker houses***

***Achievements:***

We started to collect project information during the 2006/7 cycle regarding the electrification of farm worker housing for the 2007/8 financial year. Farmers had to apply for this funding, where after the farms were inspected by our Projects department to collect the correct information and to establish whether an application is valid or not. The registration and project initiation went well except for a few delays regarding procurement and securing material for the projects. Overall we managed to keep the projects on track in spite of the fact that there was a material delivery delay of between 8 to 10 weeks. The contractors were appointed during November 2007 and the projects were completed in April 2008. An amount of R 1,056,076.49 was spent on a total of 250 farm worker housing units involving 14 farms.

***Challenges:***

- Collect the correct initial information on projects from the farmers and to inspect each site.
- To encourage farmers to take additional transformer connections on their farms where necessary.
- Achieve quality work from the emerging contractors and ensure upliftment.
- Have a system in place to collect more detailed information regarding the project progress from each contractor on a weekly basis, which would enable us to submit a more accurate report to DME.
- Steer away from mistakes of the previous financial years by implementing policies and guidelines to achieve an even better result regarding project management and the quality of work.

**c) *Electrification (Eskom area of jurisdiction)***

***Achievements:***

971 households were electrified.

***Challenges:***

Insufficient funds to eliminate the estimated backlog of 35,466 connections.

***d) Electrification (GTM area of jurisdiction)***

***Achievements:***

102 new connections were provided to the municipality's distribution network.

***Challenges:***

No infrastructure capital for the bulk supply.

***e) Electrification of schools and clinics***

***Achievements:***

No Projects for electrification of Schools and Clinics.

***Challenges:***

The electrification of schools and clinics is not discussed in the energy forums due to non-attendance of relevant Eskom's officials or information regarding the allocation and the priority list. The priority list for schools and clinics is also not handled by the municipality

***f) Maintenance of distribution network***

***Achievements:***

The budget that was allocated for maintenance was spent, all maintenance plans was implemented.

***Challenges:***

There is still a big challenge to increase the maintenance budget so that more detailed maintenance can be done on an aging system

*g) Streetlights*

***Achievements:***

No major achievements were done accept for the spending of the full budget that was allocated to streetlights.

***Challenges:***

To obtain capital for the installation of streetlights.

*h) Capacity development*

***Achievements:***

Electricity Recovery Plan Developed.

***Challenges:***

Funding is an enormous challenge. Application to various Government Departments and Deputy President has been made for R420 million (Still Awaiting feedback). Meanwhile an estimated R1, 3 Billion of development are on hold until the electricity capacity problem can be addressed. This is having a severe negative impact on Tzaneen' growth. A Committee consisting of Developers, Consultants and Officials has been established in an effort to arrive at a solution for finding.

## **2.5 Engineering Services**

The Engineering Services Department is responsible for the developing and maintenance of the roads, storm water, water and sewer networks of GTM. The department must also maintain all council property and project manage all MIG projects. The performance highlights per service is as follows:

## 2.5.1 Building and Maintenance

### a) Building control

#### *Achievements:*

- 22,781 m<sup>2</sup> of new houses to the value of R68,343,000 were approved.
- 2,443 m<sup>2</sup> of new shops to the value of R12,645,000 were approved.
- 5,334 m<sup>2</sup> of additions to existing houses were approved to the value of R16,002 000
- 1,763m<sup>2</sup> of addition to existing shops has were approved to the value of R5,289,000
- 406 m<sup>2</sup> of additions to existing industrial building to the value of R12,000,000 were approved.
- Successfully completed 100 PHP units at Sedan Village.

#### *Challenges:*

- Non compliance to building regulations.
- Housing consumers not knowing their rights.
- The effect of interest rate hike is slowing down the bounded market of housing.

### b) Building maintenance

#### *Achievements:*

- Successfully renovated all the sewer pump station and water treatment plants.
- Nkowankowa testing ground has also been renovated.
- Several other municipal, building have also be maintained through emergency repairs as and when required.
- Public toilet and sporting facilities also repaired and maintained.

#### *Challenges:*

- In-adequate funds to meet targets.

**c) Fleet management**

***Achievements:***

- Successfully acquired six new trucks for the solid waste division for rural waste minimization.

***Challenges:***

- Age of the fleet, some of the vehicles are as old as 1982 model.
- Inadequate capital provision to replace old vehicles.

**2.5.2 Project Management (MIG)**

***Achievements:***

- Completed Tzaneen landfill site phase one which constitutes of the following: entrance wall and gate, control point complex, weigh bridge, floodlights, septic tank and French drain.
- Successfully completed 6km gravel road of Leolo to Maake access road.
- Completed Tzaneen rural waste removal phase1, constituted of 8 public off loading facilities and procured six refuse removal trucks.

***Challenges:***

- Non performance of Consultants and Contractors.
- Late appointments of contracts by supply chain unit which have a negative impact on both project budgeting and scheduling.
- Delays in contract termination and replacement processes for non performing contractors, which also have negative impact on final project costs.

### **2.5.3 Roads and Storm water**

#### ***a) Road maintenance***

##### ***Achievements:***

- Did Road marking of most streets in Tzaneen town:
- Regravelled a total length of 375km through cluster graders
- Bladed and cleared 250km of funeral roads
- Patching of potholes in Tzaneen 437m<sup>2</sup>, Nkowankowa 192.982m<sup>2</sup>, Lenyenye 37.763m<sup>2</sup> and Haenertsburg 16.603m<sup>2</sup> respectively

##### ***Challenges:***

- Lack of Roads Management System to can properly manage the entire network in terms of inventory data and prioritization
- The unit is under-staffed and experienced problems with an aged fleet
- Insufficient funding allocated for maintenance which disable the unit to respond to all roads defects to a satisfactory level.
- Not much is achieved from regravelled roads since the life span is short, though due to the fact of insufficient funding it is the only interim measure that can be effected as means to provide access to communities.

#### ***b) Storm water management***

##### ***Achievements:***

- Constructed 6000m<sup>2</sup> of stone pitching in rural roads

- Constructed 15 Concrete drifts in rural roads
- Cleaned 45 Catch pits in Nkowankowa and unblocked hydraulic structures in rural roads and town
- Constructed culverts at Craigh head, Pjapjamela, Mobwe, Mohapeng, Wally, Block 7, Motupa, and Leseka access roads

***Challenges:***

- Communities use catch-pits as dumping pits.
- Lack of Storm water management system
- Insufficient funding allocated for maintenance which disable the unit to respond to all stormwater problems to a satisfactory level.

#### **2.5.4 Water and Sewer**

***a) Water purification & supply***

***Achievements:***

- Managed to supply clean water and to keep Water quality up to the SANS acceptable standards.
- Successfully conducted annual Water Quality samples on daily basis through each treatment plant and on monthly basis through the service provider

***Challenges:***

- In-adequate capital provision for the upgrading of George Valley Water Treatment Works.
- High turbidity during rainy season

**b) Waste water management**

***Achievements:***

- Managed to keep the final effluent up to the accepted standard (SANS).
- Managed to avoid the spread of water-borne diseases by adhering and following proper water treatment procedures.
- Successfully managed to renovate and maintained public toilets, pump stations and water treatment works

***Challenges:***

- Inadequate capital provision for the upgrading of Nkowankowa Sewage Works and the construction of Lenyenye Sewage Works.
- Vandalism and theft.

**c) Borehole maintenance**

***Achievements:***

- 22 boreholes rehabilitated under MDM 2007/2008 Refurbishment funds

***Challenges:***

- Illegal households water connections
- Vandalism and theft

**d) Sanitation**

***Achievements:***

- 4,363 VIP Pit latrines constructed

***Challenges:***

- Non-compliance to the indigent register

## **2.6 Municipal Manager**

The office of the Municipal Manager is responsible for disaster management as well as internal audit. The performance highlights per service is as follows:

### **2.6.1 Disaster Management**

#### *a) Disaster prevention*

##### *Achievements:*

- Training on Disaster Management to: Hospitals, Colleges, Ward Committee Members, Individuals, Business Forums and Private Business.
- 50% of all wards where visited and risk assessment was done.

##### *Challenges:*

- Training facilities, funds and qualified personnel

#### *b) Disaster management*

##### *Achievements:*

- Corporate Plan completed, Emergency Plan, Risk Assessment Plan 75% complete.
- Emergency data base up to date
- Help to communities within 72 hours.

##### *Challenges:*

- Insufficient Office Space and the absence of a Storeroom for keeping emergency supplies

## 2.6.2 Internal Audit

### a) *Risk assessment*

#### *Achievements:*

- Audit risk assessment was conducted.

#### *Challenges:*

- Absence of risk assessment computer software

### b) *Audit programme implementation*

#### *Achievements:*

- 70% of audit program was achieved

#### *Challenges:*

- Insufficient office space and staff

### c) *Internal Audit reporting*

#### *Achievements:*

- Three year strategic plan as required by MFMA.
- Annual plan .
- Submitted four quarterly reports to the audit committee.
- Attended all meetings called by the audit committee.
- Statement of responsibility and audit methodology approved by council.
- Finalized annual stock taking and reported surplus/deficit.
- Discovered cash theft at licensing and reported to municipal manager.
- Reported fraudulent transactions at engineering service department.

- Attended performance auditing organized by national treasury..

***Challenges:***

- 2007/2008 financial year was a challenging year for the whole municipality in terms of finances and the unit therefore could not:
  - Appoint additional staff since we have three vacant positions.
  - Purchase the audit risk computer software.
  - Register with IIA for membership
- Managers are not willing to implement audit recommendations

## **2.7 Planning and Economic Development**

The Planning and Economic Development Department is responsible for providing socio-economic development, tourism and LED and housing administration support. The department is also responsible for managing land development and town planning applications and to ensure integrated planning and performance management. The performance highlights per service is as follows:

### **2.7.1 Geographical Information System (GIS)**

***Achievements:***

- Project proposal was submitted to DBSA to secure funding

***Challenges:***

- DBSA requires co-funding from the municipality, there was however no provision made in the budget for this and the project could therefore not commence.

### **2.7.2 Integrated Development Planning**

***Achievements:***

- The IDP was reviewed and approved on the 28<sup>th</sup> of May 2007 for the 2008/ 09 financial year.

***Challenges:***

- The credibility of the 2008/09 IDP was compromised by the fact that:
  - The 2007/08 IDP process plan was not adhered to with the result that the Capital Budget was only approved in August of 2008.
  - The IDP Representative forum did not participate in the review of the IDP
- Various sectoral plans and programmes remain outstanding or needs to be revised.

### **2.7.3 Land Property and Housing Division**

*a) Municipal housing*

***Achievements:***

- The remaining two Municipal houses in Tzaneen were sold.

***Challenges:***

None

*b) RDP & PHP housing*

***Achievements:***

- 540 Urban RDP units were developed at Dan Ext 1 & 2.
- 250 Rural RDP units were constructed at Kolephepane, Mandlhakazi and so Mariveni.
- 100 units for PHP were constructed in ward 5.

- 18 housing units were developed as part of the integrated housing project for middle income at Tzaneen Ext 13.

***Challenges:***

- There still a huge back log especial on blocked project and rural.
- Lack of personnel for monitoring the projects.
- Problem of electricity in town.
- Challenges to implement subsidy by DLGH as promised.
- DLGH's allocation of units does not consider the actual number of beneficiaries with most beneficiaries left out of the project. E.g. the unblocking of Pfunanani Project is allocated 103 units and it left out 47 beneficiaries.
- The current PHP project is allocated to an NGO (FEDUP). The project requires various meetings to be held which is time consuming.

***c) Pioneers Old Aged Homes***

***Achievements:***

- Four people were allocated

***Challenges:***

- There is limited number of units as compared to the application.
- Council is spending a lot of money on renovation and maintenance.
- Department of Social Development once promised to subsidise the project but in vain even though Old age homes are the constitutional mandate of the Department and not Council.

**d) *Land management***

***Achievements:***

- 28 residential sites were sold.
- 4 business sites were sold
- 540 sites were donated for RDP Houses.
- Relocation of 1000 sites by DPLG in Mbambamencisi.
- 3 lease agreements on land were signed

***Challenges:***

- Municipal owned land with no services which therefore cannot be sold
- Industrial erven available without services.
- Purchase prices of available sites in Nkowankowa section C
- Land Audit for Lenyenye and Nkowankowa Townships are outstanding

**2.7.4 Performance Management**

**a) *PMS policy development***

***Achievements:***

- The PMS policy was developed and adopted by Council on the 26<sup>th</sup> of August '08.

***Challenges:***

- The PMS policy needs to be revised to address the concerns of Head's of Divisions with regard to the conditions of their contracts

- A Rewards and Incentives policy needs to be developed to guide the PMS with regard to the lower level employees

***b) Performance Monitoring and Reporting***

***Achievements:***

- The Annual Report for 2006/07 was submitted as well as 3 quarterly SDBIP reports

***Challenges:***

- Submitting quarterly SDBIP reports on time, due to the late approval of the SDBIP and the delayed submission of actual achieved by the departments

***c) Scorecard & Performance Plan Development***

***Achievements:***

- The Performance Plans for Section 57 Managers were linked to the Service Delivery and Budget Implementation Plan (SDBIP)

***Challenges:***

- Adherence to the IDP/Budget process plan
- The timeous finalisation of the SDBIP and the Performance Plans are dependant on the draft IDP being ready in December. The SDBIP was adopted late and the Performance Plans only signed in January of 2008 due to the delays in the review of the IDP.

***d) Performance Assessment***

***Achievements:***

- The Performance Assessment for 2006/07 took place in accordance with Regulation 805
- Streamlining and simplifying of the assessment process
- The participation of the Performance Audit Committee in the assessment
- Increased credibility of the assessment process which required proof of performance to be submitted, which was audited.

***Challenges:***

- Performance Assessment took place very late and the report could therefore not form part of the Annual Report as required
- Conducting quarterly performance reviews based on the SDBIP was not achieved
- The nature of the contractual agreements with HODs resulted in a dispute regarding the awarding of performance bonuses based on the scoring system as prescribed by Regulation 805.

## **2.7.5 Socio Economic Development, Tourism and LED**

***Achievements:***

- Establishment of the Greater Tzaneen Economic Development Agency
- Started with conducting a study for Hawkers
- Participated in the Indaba Tourism Show
- Completed the Fruit and Nut Cluster Value Chain Feasibility study
- Construction of Maake plaza
- Resuscitation of the Tours project through Peppadew International
- Letaba show

- Capacity building for LED staff
- Tzaneng mall extension – Bus Rank

***Challenges***

- Finance to fund projects as identified in the Local Economic Development (LED) strategy
- Time frames for project implementation

## **2.7.6 Town Planning Division**

***a) Spatial Development Framework (SDF)***

***Achievements:***

- The SDF was reviewed and approved simultaneously with the IDP review.
- The Traditional Area Spatial Development Plans were drafted in conjunction with Traditional Authorities, as the first step to ensure coordination with the Traditional Authorities in terms of the future use of their land, and to make them aware of planning for optimal use of land, human safety and effective service delivery.
- Tzaneen Nodal Development Plan drafted, but final approval awaiting the outcomes of a Water and Sewer Analysis for Tzaneen town.

***Challenges:***

- The absence of past forward planning documents and land development policies in rural areas.
- Awareness of need for rural planning in Traditional authority area and co-operation for responsible use of land.

***b) Land Use Management and town planning applications***

***Achievements:***

- The municipality established the townships Tzaneen Extension 78 and Dan Extension 2, to ensure the alienation of erven and compliance to the Breaking New Ground Policy.
- Facilitated the demarcation of the following stands in the rural areas:
  - Formalisation of 900 sites at Nkomanini
  - Mandlakazi : 300 sites
  - Ga-Ramotshinyadi : 400 sites
  - Petanenge : 300 sites
  - Berlyn/Mulati : 300 sites.
  - Muhlava Headkraal : 50 sites
  - Ooghoek : 504 sites
  - Mabyepelong: 293 sites

The number of town planning applications handled during 2006/07 is contained in Table 1. .

**Table 1: Number of Town Planning Applications processed**

Category	Applications outstanding 1 July 2006	New Applications Received 2006/07	Applications outstanding 30 June 2007
Rezoning/permit	23	38	11
Township Establishment/ extension	13	6	5
Special Consent	0	9	0
Reg. 188	0	0	0
Subdivision/consolidations	11	78	0

***Challenges:***

- Growth in residential and business development in Tzaneen town, placed pressure on bulk service infrastructure and capacity, with specific reference to electricity, water

and sewer. This resulted in the private sector providing bulk services as well as the delay in provision of serviced sites by the Municipality.

- Applications for new development which requires additional bulk water, sewer and electricity, is currently held in abeyance or withdrawn because it cannot be approved by Council.
- Existing vacant land with rights cannot be developed due to insufficient electrical capacity.
- There is a backlog of residential sites which has to be demarcated in rural (traditional) areas.
- The demarcation of sites does not take place in conjunction with servicing of the site. Headmen, Civic Organisations etc. still allocate sites illegally on traditional land.
- Timeframes to obtain Record of Decisions in terms of the Environmental Impact Assessment Regulations, are 8- 24 months, which delays development.
- Land Ownership, especially on Traditional Land remains a challenge for any development.

## **2.8 Transport, Safety, Security and Liaison**

The Department of Transport, Safety, Security and Liaison is responsible for traffic law enforcement as well as providing licensing and testing services. The performance highlights per service is as follows:

### **2.8.1 Law Enforcement**

#### **a) Road safety education**

##### ***Achievements:***

- Communities apply and visit Minitzani and Bona Tsela Mini Traffic Centre, and we are always glad to assist

##### ***Challenges:***

- Shortages of traffic personnel, vehicles make it difficult for the division to cater for all requests in our communities

**b) Visible policing**

*Achievements:*

- The devolution of certain areas from the Province has increased our policing area. We hope to render effective traffic service in those areas, including attending to accidents, patrols and point duties

*Challenges:*

- Shortages of personnel make it impossible to render better services of visible patrolling, effectively.

**c) Roadblocks & Speed checks**

*Achievements:*

- Through roadblocks and speed checks, we have reduced accidents within our policing area.

*Challenges:*

- Not all offenders are stopped and dealt with effectively at roadblocks. An increase in personnel may bring relief of some kind.

**d) Scholar patrols**

*Achievements:*

- We try our best to respond to calls relating to scholar patrol needs from schools in particular.

***Challenges:***

- As more and more scholar patrol applications are received, we need to train more of our traffic personnel on this issue to cater for the demand.

***e) Technical services***

***Achievements:***

- They recover and install road Traffic signs.

***Challenges:***

- The two elderly personnel cannot drive and rely on the service of a driver working for disaster management when he is available.

***f) Security and access control***

***Achievements:***

- Availability of the safety and security officer to coordinate the services helps to curb thefts and control accesses.

***Challenges:***

- Clients do not return access cards, while theft of Council assets is not totally stopped. A theft reported is one too many to deal with. Access doors are sometimes out of order, increasing risks.

## **2.8.2 Licensing and Testing**

***a) Vehicle licensing***

***Achievements:***

- Implementation of the E-Natis system to help with service delivery

***Challenges:***

- Financial recovery plan resulting in a shortage of staff
- Security at cashiers

***b) Drivers licensing***

***Achievements:***

- Implementation of the E-Natis system to help with service delivery and also
- The implementation of the electronic booking system at Tzaneen DLTC.

***Challenges:***

- The overcrowding of the testing stations and huge number of driving schools and corruption.
- Financial recovery plan, shortage of staff and security at the testing stations after the brake-in at Nkowankowa DLTC in September last year.

***c) Temporary advertisements and dog licensing***

***Achievements:***

- Assist with application of all temporary advertisements and dog licenses.

***Challenges:***

- Shortage of staff.

### **3. HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT**

#### **3.1 Organisational design**

##### **3.1.1 Functional Organogram**

The organogram is reviewed annually to cater for new needs/functions and also to align it to the IDP. The organogram is attached as **Annexure B**.

##### **3.1.2 Functional Structure re-design**

During the 2007/8 financial year a new Department namely Transport, Safety, Security and Liaison was created with the Law Enforcement and Licensing & Testing Divisions under its control. The Community Services Department now consists of only the Waste Management, Library Services, Health Services and Parks & Recreation Divisions.

With the exception of the Internal Audit and Disaster Management Divisions all other divisions under the control of the Office of the Municipal Manager were relocated to mainly the Corporate Services and the Planning and Economic Development Departments.

##### **3.1.3 Staff establishment**

The staff establishment was updated in line with the new functional structure which came into effect on 1 October 2007. As on 30 June 2008 905 positions were approved of which 577 were filled with 328 vacancies. The breakdown of the approved positions per department is presented in Table 2.

**Table 2: Staff establishment per department, 2007/08**

<b>Department</b>	<b>Positions Approved</b>	<b>Positions filled</b>	<b>Positions vacant</b>

**Table 2: Staff establishment per department, 2007/08**

<b>Department</b>	<b>Positions Approved</b>	<b>Positions filled</b>	<b>Positions vacant</b>
Municipal Manager	16	8	8
Planning & Economic Development	24	18	6
Finance	74	43	31
Corporate Services	70	47	23
Engineering Services	256	157	99
Community Services	261	157	104
Electrical Engineering	121	99	22
Transport, Safety, Security & Liaison	83	48	35
<b>Total</b>	<b>905</b>	<b>577</b>	<b>328</b>

### **3.1.4 Task job evaluation**

Job Analysis Questionnaires (JAQ's) for all positions were prepared after the training of 30 identified departmental representatives. Final job descriptions were signed by all parties and submitted to the Regional Task Job Evaluation Committee on 30 March 2006. The final outcomes report after moderation was received on 6 December 2007. Implementation of the outcome can only be done once the grading and salary structuring process is finalized.

## **3.2 Personnel administration**

A summary of the services provided through personnel administration is summarized in Table 3.

**Table 3: Service provision with regard to personnel administration during 2007/08**

<b>Type of service</b>	<b>Number of</b>
Paying work outside Council approved	10
Employees declaring interest	16

**Table 3: Service provision with regard to personnel administration during 2007/08**

Type of service	Number of
Councilors declaring interest	2
Personnel files maintained	1392
Days Study leave recorded	257
Days leave sold	2483
Long Service Leave days sold	844
Permanent entrants engaged	21
Students engaged	1
Staff Promoted	8
Temporary / Casual employees administered	55
Number of exits	42
Long Service Awards made	12
Advertisements prepared & placed	29
Short-listing meetings held	29
Interviews held	29
Probation approved	21
Number labour incidences dealt with	0
Disciplinary cases recorded	33
Grievances recorded	1
Local Labour Forum meetings held	10
Job descriptions prepared and signed	254

### **3.3 Skills development**

The Greater Tzaneen Municipality is committed to skills development and fully subscribes to the provisions of the National Skills Development Strategy. Therefore the Workplace Skills Plan (WSP) for the 2007/2008 financial year was submitted to the Local Government SETA (LGSETA) and has been implemented; as far as finances permitted it.

The Training Policy was reviewed to accommodate new challenges and approved by Council for implementation and an amount of R867 355 was budgeted for skills development during the

2007/2008 financial year. The money was intended for, *inter alia*, finance training interventions which had been identified to address the skills gaps in the Municipality. The training interventions are conducted by accredited training providers to ensure quality of provision. However, due to the severe financial constraints that was experienced, only a fraction of this amount could be used i.e. ± R110 000 (12.6%).

Furthermore, the Local Government SETA (LGSETA) has granted Council funding amounting to R126 000 for the training of employees on Adult Basic Education and Training (ABET). Quotations were sourced from ABET Service Providers to conduct the interventions and the programme end during December 2007 when 42 employees wrote the IEB examinations with good results.

With regard to the implementation of learnerships the Water learnerships has been concluded. The Energy SETA assessed the programme and 14 officials were certified competent and will receive their certificates on 24 October 2008. The first intake of four Community Development Worker learnerships has concluded the programme successfully. Another intake of 24 learners have started with the programme during November 2006 and concluded at the end of December 2007. The Municipality will also implement electricity learnership during 2008/9. Ten (10) employed learners have been earmarked for participation in the learnership. Also, a needs analysis for the other learnerships was conducted in all the Departments in Council. These learnerships will hopefully be implemented during 2009/2010.

### **3.4 Disclosure of salaries, allowances and benefits**

The salaries and allowance received by Councillors during 2007/08 are presented in Table 4 & 5.

<b>Table 4: Councillor salaries and allowances, 2007/08</b>	
<b>Councillors</b>	<b>Total package (R)</b>
Mayor	483,652
Speaker	389,996
Executive Committee	1,009,197
Full time Councillors	1,832,915

**Table 4: Councillor salaries and allowances, 2007/08**

<b>Councillors</b>	<b>Total package (R)</b>
Councillors	8,203,718
Councillors Pension	0
Medical Fund Cont.	0

**Table 5: Councillor Allowances for 2007/08 to 20010/11 (R)**

	<b>2006/2007</b>	<b>2007/2008</b>	<b>2008/2009</b>
Allowance Mayor	378,509	483,652	400,000
Allowance Full time Councillors	1,722,221	2,222,911	1,821,332
Allowance Executive Committee	780,676	1,009,197	825,599
Allowance Other Councillors	6,245,399	8,203,718	7,308,873
Councillors allowance Travel	3,042,241	0	3,217,329
Contribution – Councillors other	666,046	53,767	107,036
<b>Total Cost</b>	<b>12,835,091</b>	<b>11,973,245</b>	<b>13,680,169</b>

Table 6 presents the salaries and allowances of senior officials (Section 57 Managers) for 2007/08.

**Table 6: Senior official's salaries and allowances, 2007/08**

<b>Senior officials</b>	<b>Salary (R)</b>	<b>Incentive (R)</b>	<b>Leave Pay (R)</b>	<b>Total Package(R)</b>
Municipal Manager	808,057			808,057
Chief Financial Officer	594,787			594,787
Corporate Services Manager	594,787			594,787
Community Services Manager	495,657			495,657
Engineering Services Manager	594,787			594,787
Electrical Engineering Manager	628,145		130,654	758,799

**Table 6: Senior official's salaries and allowances, 2007/08**

Senior officials	Salary (R)	Incentive (R)	Leave Pay (R)	Total Package(R)
Planning & Economic Dev. Manager	594,787			594,787
Transport, Safety, Security and Liaison	594,787		59,710	654,497

The total personnel expenditure versus the total budget from 2001/02 to 2007/08 is presented in Table 7. These figures exclude Councilors allowances and expenditure for contracted services.

**Table 7: Personnel Expenditure versus the total budget, 2001/02 to 2007/08**

Year	Personnel Expenditure <sup>1</sup>	Total Budget	%
2001/2002	R 58,417,205	R 194,824,456	29.98
2002/2003	R 59,930,618	R 204,468,743	29.31
2003/2004	R 56,791,828	R 226,609,538	25.06
2004/2005	R 63,556,842	R 274,061,622	23.19
2005/2006	R 70,993,634	R 329,631,453	21.54
2006/2007	R 83,725,900	R 303,777,315	27.56
2007/2008	R 57,951,171	R 309,987,346	18.69

The total salary budget for GTM is presented in Table 8.

**Table 8: GTM salary budget, 2006/07 - 2009/10**

	2006/2007	2007/2008	2008/2009	2009/2010
Basic Scale	54,635,948	64,195,387	67,084,179	78,151,134
Overtime	4,149,648	7,753,691	8,102,607	6,344,221
Pensionable Allowance	6,899,639	7,369,932	7,701,579	8,838,614
Annual Bonus	3,299,788	3,599,173	3,761,136	4,390,529

<sup>1</sup> [1] These amounts exclude councillor's allowances and expenditure for contracted services.

**Table 8: GTM salary budget, 2006/07 - 2009/10**

	2006/2007	2007/2008	2008/2009	2009/2010
Standby Allowance	321,000	669,861	700,005	610,048
Leave Payments	4,159,658	6,216,222	6,495,952	6,836,641
Housing Allowance	507,464	671,184	701,387	730,298
Travel Allowance	3,487,274	3,836,497	4,009,139	5,012,418
Relocation Allowance	18,795	19,697	20,584	0
Medical Examination	20,840	15,552	16,252	0
Performance Incentive Schemes	1,349,722	1,396,994	1,459,859	2,028,693
<b>Total (Employee related costs)</b>	<b>78,849,776</b>	<b>95,744,190</b>	<b>100,052,679</b>	<b>112,942,596</b>

The contributions made to Pension funds and Medical aids from 2005/06 to 2009/10 are presented in Table 9.

**Table 9: Contributions to Pension funds and Medical Aid, 2005/06 – 2009/10 (R)**

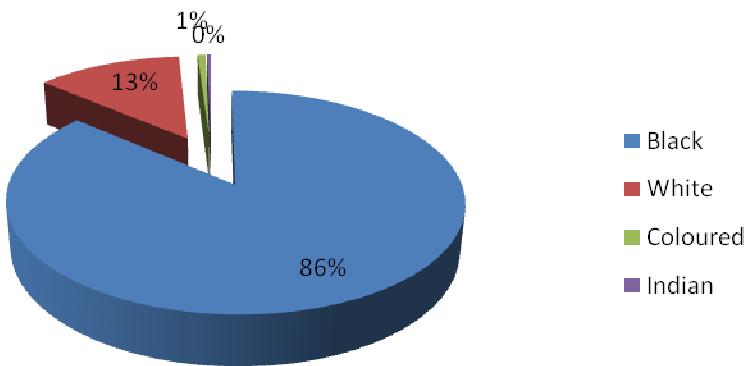
CONTRIBUTIONS	2006/2007	2007/2008	2008/2009	2009/2010
Medical Aid Scheme	4,568,157	5,807,254	6,068,580	7,133,034
Pension Schemes	10,066,755	11,123,114	11,623,654	13,319,209
UIF	491,142	821,289	858,247	702,039
Group Insurance	916,888	805,552	841,802	971,991
Medical Aid continued Member	0	0	0	0
Workers Compensation	456,853	359,005	375,161	630,358
Levies - Seta	783,893	518,228	541,548	858,257
Levies – Bargaining Council	76,714	23,463	24,519	29,933
<b>Employee Related Costs – Social Contribution</b>	<b>17,360,402</b>	<b>19,457,905</b>	<b>20,333,511</b>	<b>23,644,822</b>
<b>GRAND TOTAL</b>	<b>96,210,178</b>	<b>115,202,096</b>	<b>120,386,190</b>	<b>136,587,418</b>

### 3.5 Employment equity

The position in terms of representivity of the workforce profile as on 30 June 2008 is as follows (see Table 10):

<b>Table 10: Population group of employees, 2007/08</b>		
<b>Population group</b>	<b>Number</b>	<b>%</b>
Black	498	86.3
White	73	12.7
Coloured	4	0.7
Indian	2	0.3
<b>Total</b>	<b>577</b>	<b>100</b>

**Figure 2: Population distribution 2007/08**



As far as gender is concerned, the position as on 30 June 2008 is as follows (see Table 11):

<b>Table 11: Gender profile, 2007/08</b>		
<b>Gender</b>	<b>Number</b>	<b>%</b>
Male	417	72
Female	160	28
<b>Total</b>	<b>577</b>	<b>100</b>

In terms of appointment of people with disabilities as on 30 June 2008, the Municipality achieved 1.5% against the national benchmark of 2%.

### **3.6 Occupational Health and Safety**

The Occupational Health and Safety Policy was reviewed. The total number of injuries on duty reported for the period 1 July 2007 to 30 June 2008 was 23 which was lower than the 28 reported during 2006/07. No occupational disease was reported. Direct man-hour lost due to occupational injuries for the period was 551.15 hours which was lower than the 569.15 during 2006/07. There was one serious injury where the employee affected was given more than 40 days sick leave. There were no fatal injuries of officials.

421 OHS inspections were conducted for the period 1 July 2008 to 30 June 2008. These inspections are conducted to monitor compliance in terms of the OHS Act at different work stations. The OHS committee held 16 meetings and 23 officials underwent first aid training (level 1). The OHS Officer further inducted ± 150 contractors at the bid briefing sessions on OHS specifications and Memorandums of Agreement in terms of Section 37(2) of the OHS Act.

Furthermore, occupational hygiene monitoring equipment, i.e. gas detectors were used to check risk factors (asphyxiation-insufficient oxygen) in confined spaces (sewage manholes), Lux meter to check quality and adequacy of light in offices and workshops and sound level meter to check level of occupational exposure to noise, were used to monitor these stressors (asphyxiants, poor lighting, noise). Where deviations occurred, recommendations were given to supervisors/superintendents to reduce stressors to acceptable levels e.g. addition and/or replacement of lights in offices and workshops, purging of manholes before entering, repairing noisy machinery and use of earplugs/muffs.

Lastly an OHS Risk Assessment was conducted on 6 and 7 March 2008 for all the work places in the Greater Tzaneen Municipality by an independent Occupational Hygiene Technologist. The purpose of conducting this statutory assessment is to identify risk and hazards associated with activities, to assess the seriousness of these hazards and formulate a system to reduce safety risks to a minimum or at least to an acceptable level as recommended.

### **3.7 Employee Assistance Programme (EAP)**

The EAP Policy was reviewed to accommodate changing circumstances. A Smoking Policy was also developed for implementation. As on 30 June 2008, 62 employees utilized the EAP to seek assistance in resolving personal problems ranging from chronic illness (TB & HIV/Aids), emolument attachments orders, loan sharks, marital affairs and alcohol abuse. Out of 62 cases, 61 were finalized and 1 carried over.

Health talks regarding prevention of HIV and tuberculosis at work were given during health and safety committees meetings to members of the committee who are having weekly health and safety talks in their respective workplaces. Over and above the latter, HIV/AIDS, TB and Diabetic awareness through the Department of Health & Social Welfare were done for the period 11 February 2008 to 10 March 2008 and 368 officials attended. Staff was tested for TB on site and HIV/AIDS in the local clinic. A number of 251 employees had their eyes tested for free during January 2008 by a local optometrist as part of their social responsibility programme.

## **4. AUDITED STATEMENTS AND FINANCE RELATED INFORMATION**

### **4.1 Financial Statements and clarifying comments for 2007/08**

The financial statements for 2007/08 was finalised as required by the MFMA but have not been audited. The financial statements are attached as **Annexure C**.

### **4.2 Auditor General Report on Financial Statements**

The Audit Report is attached as **Annexure D**.

### **4.3 Corrective action taken in response to Audit Report for 2006/07**

See the separate action plan that has been submitted on how to deal with issues raised by the Auditor-General (**Annexure E**).

### **4.4 Recommendation from Audit committee**

- The action plan to deal with issues raised by the Auditor General should place emphasis on the management report
- Engagements with the office of the Auditor General should be more frequent and not just during audit time.
- Municipality should consider preparing financial statement more frequently in order to be able to identify potential problems and to address these in advance. The municipality should consider as a minimum preparing financial statements on a quarterly basis.

### **4.5 Assessment on arrears on municipal taxes and service charges**

The total amount outstanding on municipal taxes and charges as at 30 June 2008 was R 106 million as compared to R 100 million as at 30 June 2007. 31% of this amount was for water, 24% for property rates, 20% for electricity, 15% for refuse and 7% for sewer. The increase in outstanding debtors, year on year, was 6%. 52% of this amount had been outstanding for more than 120 days and was provided for as bad debts due to doubt about its recoverability. Table 12 presents the arrears owed to the municipality by Councillors and Officials.

	<b>30 Days +</b>	<b>60 Days +</b>	<b>90 Days +</b>
Councillors	873.53	493.24	1525.1
Senior officials (Level 3)	490	468	2901

#### **4.6 Auditor - General Report on Performance Report for 2006/07**

No comments have been received from the Auditor General regarding the Annual Performance report for 2006/07

## 4.7 Grant Expenditure

The total grant expenditure per quarter is presented in Table 13.

Table 13: Quarterly expenditure of grants (2007/08)										
Grant Details	1st Qtr 30 Sept '07		2nd Qtr 31 Dec '07		3rd Qtr 30 Mar '08		4th Qtr 30 June '08		Total	
<i>List grants individually</i>	Received	Exp	Received	Exp	Received	Exp	Received	Exp	Received	Exp
Free basic water		1,496,161		1,496,161	5,984,646	1,496,161		1,496,161	<b>5,984,646</b>	<b>5,984,644</b>
National MIG	6,600,000	3,287,132	3,700,000	4,107,295	6,129,287	1,126,630	5,288,819	8,034,955	<b>21,718,106</b>	<b>16,556,012</b>
Community Based Projects			404,077						<b>404,077</b>	<b>0</b>
PHP Housing Projects		1,008		150,000	109,584	250,063		131,295	<b>109,584</b>	<b>532,366</b>
Fruit & Nut Cluster		16,017	262,116			403,142		246,055	<b>262,116</b>	<b>665,214</b>
FMG	500,000	156,140	1,851	40,955		144,650		360,639	<b>501,851</b>	<b>702,384</b>
Equitable share	23,747,065	17,810,297	17,810,296	17,810,297	29,683,827	17,810,297		17,810,297	<b>71,241,188</b>	<b>71,241,188</b>
SETA		12,151	180,537	71,550		62,656		51,229	<b>180,537</b>	<b>197,586</b>
Vuna awards	0	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
Department of trade and mineral		415,538		1,419,341		547,049		1,816,292	<b>0</b>	<b>4,198,220</b>
Electrification grant	378,000	944,138	414,528	220,257	327,472	516,740		237,502	<b>1,120,000</b>	<b>1,918,637</b>
Valuation roll					500,000	500,000			<b>500,000</b>	<b>500,000</b>
Umsombovu youth fund			150,938	39,960		50,000			<b>150,938</b>	<b>89,960</b>

#### **4.8 The use of donor funding support**

During the financial year the municipality managed the following funds received from different donors outside of the government sphere:

**Irish grant:** This grant was meant to promote tourism in the Greater Tzaneen Municipality and Greater Letaba Municipality. The Greater Tzaneen Municipality managed this grant on behalf of both municipalities. The total amount of the grant over the life of the project which should be ending in December 2009 is R15 million. A steering committee to oversee the use of these funds was set up comprising of different stakeholders including the representatives from both municipalities, the Irish embassy, the service provider appointed to implement the project and different provincial government departments.

**EU grant:** The municipality also managed two grants from the EU. The first grant for R 873 000 was meant to undertake a study of the fruit and nut value chain and the second for R 703 000 was to undertake a hawkers research and feasibility study. Both of these funds are subjected to audit by an independent auditing firm.

#### **4.9 Information on long-term contracts**

The municipality had a number of long-term contracts that were still running during the financial year. However only the contract for the leasing of the fleet, hiring of equipment and maintenance of the roads would still be extending beyond the next financial year with the rest expiring during the course of the year.

#### **4.10 Three year capital plan for addressing infrastructure backlogs in terms of MIG framework**

**Table 14: Capital expenditure**

Source of funding	2007/08	2008/09	2009/10
MIG	R 28,004m	R 33,212m	R 27,198m

#### **4.11 Annual Performance Report for 2007/08**

The performance assessment of Section 57 Managers has not taken place yet and therefore the Annual Performance Report is not available for inclusion in this report.

#### **4.12 Performance of Municipal entities**

No municipal entities exist.

## 5. FUNCTIONAL AREA SERVICE DELIVERY REPORTING

Table 15: Greater Tzaneen Municipality - General Information			
Reporting Level	Detail	Total	
Overview:	The Greater Tzaneen Municipality is located in the Limpopo Province of South Africa in the Mopani District Municipal area. The municipality is characterised by well established infrastructure in the towns of Tzaneen, Letsitele and Haenertsburg with the towns of Nkowankowa and Lenyenye lagging behind in this respect. The municipality also serves 125 rural villages which are spread throughout the municipal area. Although most households have access to basic water provision great backlogs exist with regard to the access to basic sanitation, electricity and waste removal services. The 2007/08 financial year was a tough year for the municipality as financial difficulties required the implementation of a financial recovery plan which hampered the expansion of services to eliminate backlogs. Also, the interest from developers in investing in the area was dampened by the limited electricity and water capacity of the municipality. A huge capital injection into the upgrading of the electricity network and the increase in the water allocation will be required to allow further developments to take place.		
Information:			
1	<i>Geography:</i> Geographical area in square kilometers Source: SDF	<b>3240km<sup>2</sup></b>	
2	<i>Demography:</i> <i>Total population (Projected for 2006)</i> Source: Global Insight Database	<b>396,711</b>	
3	<i>Indigent Population (registered)</i> Households earning less than R1600 per month collectively and are thus unable to afford basic municipal Services	<b>28,552</b>	
4	<i>Total number of voters</i>	<b>158,775</b>	
5	<i>Source:</i> IEC (VRS) <i>Aged breakdown:</i> - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under <i>Source:</i> Global Insight Database, 2006	<b>No</b> 16,009 74,200 173,706 132,796	<b>%</b> 4.04 18.70 43.79 33.47
6	<i>Household income:</i> Less than 1,500	<b>No</b> 48,330	<b>%</b> 46

1501-3500	25,657	25
3501-6000	12,968	12
6000 or more	17,282	17
Source: Global Insight Database, 2006		

**Table 16:Executive and Council**

	<b>Detail</b>	<b>Total</b>
Overview:	Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councillor and committee expenses and governance. Note: remuneration of councillor information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .	
Description of the Activity:	<p><i>The function of executive and council within the municipality is administered as follows and includes:</i></p> <p>The function of Council and Exco is to formulate policies and by-laws to govern service delivery and to monitor the implementation of these policies</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. <i>The municipality has a mandate to:</i></p> <p>Formulate policies and by-laws</p> <p><i>The strategic objectives of this function are to:</i></p> <p>Develop effective and sustainable stakeholder relations</p> <p>To increase financial viability through increased revenue and efficient budget management</p> <p>To develop and improve systems, processes, procedures and policies by practicing sound governance</p> <p>Develop a high performance culture for a changed, diverse, efficient and effective local government</p> <p><i>The key issues for 2007/08 are:</i></p> <p>Financial Recovery</p>	
Analysis of the Function:	<i>Councillor detail:</i>	

1	Total number of Councillors Number of Councillors on Executive Committee	67 10	
2	<i>Ward detail:</i> Total number of Wards Number of Ward Meetings	34 8	
3	<i>Number and type of Council and Committee meetings:</i> Exco meetings Council meetings Special Exco meetings Special Council meetings	20 4 1 1	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Council and Exco Support	% Council / EXCO resolutions referred to Departments within 7-working days from council / EXCO resolution # of Council sittings	90% 8	95% 8
Ward committee support	% Fully functional ward committees	100%	59%

**Table 17: Finance and Administration**

Reporting Level	Detail	Total
Overview:	The budget and Treasury office was established in terms of Chapter 9 of the Municipal Finance Management Act and is headed by the Chief Financial Officer assisted by five heads of sections each responsible for the core functions and activities as detailed below.	
Description of the Activity:	<i>The function of finance within the municipality is administered as follows and includes:</i> * Financial Services and Reporting * Revenue Management * Expenditure Management * Information Technology * Supply Chain Management  The financial services and reporting division is mainly responsible for internal and external financial reporting; drafting of the budget and compilation of	

	<p>financial statements.</p> <p>Revenue management is mainly responsible for meter reading, billing, credit control, cash control, customer services and indigent support.</p> <p>The main function of expenditure control includes the management creditors, inventory; salaries, assets, cash and bank</p> <p>The IT function has been outsourced and the division is responsible for managing and controlling the activities of the outsourced services</p> <p>The Supply Chain Management Unit is responsible for the management of the following activities: acquisition, demand, logistics, disposal, performance and risk.</p> <p><i>The strategic objectives of this function are to:</i></p> <ul style="list-style-type: none"> <li>* To comply with financial legislation, regulations and policies</li> <li>* Optimise revenue collection</li> <li>*To supply an effective/efficient and economic expenditure service to Council</li> <li>* Manage IT and MI systems for sound governance</li> <li>*To render supply chain management services that is fair, equitable, transparent, efficient, cost effective and competitive.</li> </ul> <p><i>The key issues for 2007/08 were:</i></p> <p>1 The management of the Meter Reading Service Level Agreement to ensure 98% of the meters are read on a monthly basis;</p> <p>2 The implementation of the debt moratorium strategy with the objective of collecting rates and services charge debts.</p>		
Analysis of the Function:		Billed	Received
1	<p><i>Debtor billings: number and value of monthly billings:</i></p> <p>For Number and amount billed each month across debtors by function (eg: water, electricity etc) see <b>Table 18</b></p>		<i>R (000s)</i>
2	<i>Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:</i>	<i>R (000s)</i>	

	<b>See Table 19</b>		
3	<i>Write off of debts:</i> - Total debts written off for the year		<i>R (000s)</i> 19,159
4	Property rates (Residential): See note 14 of the annual financial statements		
5	<i>Property rates (Commercial):</i> See note 14 of the annual financial statements		
6	<i>Indigent Policy:</i> - Quantity (number of households affected) - Quantum (total value across municipality)	28,552 <i>n.a</i>	
7	<i>Creditor Payments:</i> <b>See Table 20</b>	<i>R (000s)</i>	
8	<i>Credit Rating:</i> Longterm: Short term: Source: CA Creditor Ratings For detailed information please refer to the Annual Financial Statements	<i>R (000s)</i> Za BBB Za A3	2005
9	<i>External Loans:</i> - Total loans received and paid during the year See schedules to the attached financial statements.	<i>R (000s)</i> 0	<i>R (000s)</i> 0
10	<i>Delayed and Default Payments:</i> During the financial year there were no delays or defaults on statutory payments.	0	
<b>Key Performance Area</b>	<b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b>	<b>Target</b>	<b>Actual</b>
Revenue management	% Progress with the cleansing and updating of the billing system	100%	90%
	% revenue received (Actual R-value revenue / total projected revenue)	100%	102%
Expenditure management	% actual expenditure (R-value expenditure/ budgeted expenditure)	100%	78%
	% Creditors paid within 30 days	100%	100%
Financial Reporting	% Financial Statements and reports submitted timely	100%	100%
IT support	% access to IT network	100%	95%

**Table 18 : Monthly billed and received (against billed) across debtors by function (R'000)**

	Water		Rates		Sewer		Electricity		Refuse		Total	
	Billed	Received	Billed	Received	Billed	Received	Billed	Received	Billed	Received	Billed	Received
<b>Jul '07</b>	1,815	1,005	2,211	1,831	354	201	8,948	14,257	682	789	14,010	18,083
<b>Aug '07</b>	908	1,105	2,235	2,137	337	210	11,951	9,759	4235	685	19,666	13,896
<b>Sep '07</b>	1419	787	2,287	2,007	350	233	12,636	10,558	2334	804	19,026	14,389
<b>Oct '07</b>	1,406	1,021	2,789	1,860	381	229	16,412	20,216	936	911	21,924	24,237
<b>Nov '07</b>	1,145	1,022	2331	1,972	536	238	9,876	13,238	964	860	14,852	17,330
<b>Dec '07</b>	932	794	2,569	1,839	326	205	13,746	8,218	911	699	18,484	11,755
<b>Jan '08</b>	1600	671	2,890	1,932	444	162	12,202	22,071	925	558	18,061	25,394
<b>Feb '08</b>	1,470	957	2,305	2,215	369	240	13,351	14,746	975	731	18,470	18,889
<b>Mar '08</b>	182	977	2,374	2,167	386	245	9,889	14,110	914	820	13,745	18,319
<b>Apr '08</b>	1,469	938	2,588	2,041	406	252	9,857	12,037	2629	837	16,949	16,105
<b>May '08</b>	1,284	982	3,267	2,263	538	303	11,941	11,219	1209	1480	18,239	16,247
<b>Jun '08</b>	1,534	1,076	2,815	2,543	394	264	12,975	15,062	1308	1184	19026	20129
<b>Total 07/08</b>	<b>15,164</b>	<b>11,335</b>	<b>30,661</b>	<b>24,807</b>	<b>4,821</b>	<b>2,782</b>	<b>143,784</b>	<b>165,491</b>	<b>18,022</b>	<b>10,358</b>	<b>212,452</b>	<b>214,773</b>

<b>Table 19: Total Debtors outstanding, 30, 60, 90, 120 and longer days (R'000s)</b>						
	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>120 Days</b>	<b>120 + Days</b>	<b>Total</b>
<b>Water</b>	8,743	1,033	643	1049	21,804	33,272
<b>Assessment Rates</b>	7,810	802	652	654	15,933	25,851
<b>Electricity</b>	12,018	591	183	280	7,831	20,903
<b>Refuse Removal</b>	4,539	1,214	446	525	11,710	18,434
<b>Sewerage</b>	1,583	287	186	242	5,626	7,924

<b>Table 20: Five Largest Creditors for 2007/08</b>						
<b>Creditor</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>120 Days</b>	<b>120 + Days</b>	<b>Total</b>
Eskom	10,363,897.68	0	0	0	0	10,363,897.68
Quality Plant Hire	2,131,060.51	0	0	0	0	2,131,060.51
Infrastructure Finance	2,076,509.15	0	0	0	0	2,076,509.15
Liberty Life	1,655,619.00	0	0	0	0	1,655,619.00
SARS	1,614,404.44	0	0	0	0	1,614,404.44

<b>Table 21: Human Resources</b>		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>
Overview:	Human Resources Management in local government is a Subsection of general management which can be defined as the application of capital for the optimum utilization of human resources, machines, material, work methods, marketing, etc. with the end result that affordable and sustainable services can be realized. In Greater Tzaneen Municipality the Human Resources Division forms part of the Corporate Services Department together with the Divisions for Administrative Support, Legal Services, Communication & Marketing as well as Public Participation & Project Support.	
Description of the Activity:	<i>The function of Human Resource Management within the Municipality is administered as follows and includes:</i>	

	<p><b>Employee Level</b></p> <ul style="list-style-type: none"> <li>• Deployment (canvassing and recruitment, selection, engagement, career management, termination of services, retirement planning, pensioners' aftercare).</li> <li>• Administration (Corporate Service Manager's policies/procedures, job evaluation, remuneration, EAP,BC Agreements, disciplinary/grievance and retrenchment procedures)</li> <li>• Achievement (education, training, developmental counseling, learnerships and promotion)</li> </ul> <p><b>Group Level</b></p> <ul style="list-style-type: none"> <li>• Intra Group Functioning (team development/ conflicts management and participation)</li> <li>• Inter Group Functioning (IR Structures, Trade Union relationships and Collective Bargaining)</li> </ul> <p><b>Organizational Level</b></p> <ul style="list-style-type: none"> <li>• Corporate Strategy (Management and HR Planning)</li> <li>• Corporate Structure (organization and job designs, resource utilization)</li> <li>• Corporate Functioning (values, employee motivation, employee equity and HR surveys)</li> </ul> <p>The above functions are directed to internal clients only and are confined to the area of jurisdiction of the Greater Tzaneen Municipality. However, with the devolution of powers and functions, services are rendered for the Mopani District Municipality, namely:</p> <ul style="list-style-type: none"> <li>• Water &amp; Sewerage</li> <li>• Environmental Health</li> </ul>		
	<p><i>The Municipality has a mandate to exercise its powers and functions in terms of:</i></p> <ul style="list-style-type: none"> <li>• Section 156 of the Constitution</li> <li>• Chapter 3 of the Local Government Municipal Systems Act ( No 32 of 2000)</li> <li>• Section 12 Notice for Greater Tzaneen Municipality</li> </ul> <p><i>The strategic objectives of this function are to:</i></p> <ul style="list-style-type: none"> <li>• Render HR support to Council and departments in line with the institutional strategic guidelines;</li> <li>• Maintain and extend personnel administrative system</li> </ul>		

	<ul style="list-style-type: none"> <li>• Ensure Skills Development</li> <li>• Enhance ability and capacity to support Occupational Health &amp; Safety for employees</li> <li>• -Ensure sound labour relations/ conflict management</li> <li>• Implementing organizational development interventions</li> </ul> <p><i>The key issues for 2007/2008 are:</i></p> <ul style="list-style-type: none"> <li>• Filling of critical vacancies with competent staff</li> <li>• Smooth integration of DWAF Water &amp; Sewerage Staff</li> <li>• Implementation of Task Final Outcome Report &amp; devolving of function.</li> <li>• Conducting of skills audit for GTM &amp; capturing of data</li> <li>• Implementation of learnerships</li> <li>• Extension and equipping of HR Filing Room</li> <li>• Securing adequate funding for training.</li> <li>• Reviewing and aligning of organogram to IDP.</li> </ul>																																			
Analysis of the Function:	<p>The total salaries &amp; wages for the 2007/8 financial year for employees amounted to nearly R81 million and is constituted as follows:</p> <table> <thead> <tr> <th></th> <th style="text-align: right;"><i>No:</i></th> <th style="text-align: right;"><i>R(000s)</i></th> </tr> </thead> <tbody> <tr> <td>- Legislators, senior officials and managers</td> <td style="text-align: right;">35</td> <td style="text-align: right;">16,623,161</td> </tr> <tr> <td>- Professionals</td> <td style="text-align: right;">24</td> <td style="text-align: right;">7,118,892</td> </tr> <tr> <td>- Technicians and associate professionals</td> <td style="text-align: right;">17</td> <td style="text-align: right;">4,540,907</td> </tr> <tr> <td>- Clerks</td> <td style="text-align: right;">123</td> <td style="text-align: right;">19,179,904</td> </tr> <tr> <td>- Service and sales workers</td> <td style="text-align: right;">20</td> <td style="text-align: right;">4,091,393</td> </tr> <tr> <td>- Skilled agricultural and fishery workers</td> <td style="text-align: right;">2</td> <td style="text-align: right;">435,095</td> </tr> <tr> <td>- Craft and related trades workers</td> <td style="text-align: right;">74</td> <td style="text-align: right;">8,503,737</td> </tr> <tr> <td>- Plant and machine operators and assemblers</td> <td style="text-align: right;">66</td> <td style="text-align: right;">5,590,668</td> </tr> <tr> <td>- Elementary occupations</td> <td style="text-align: right;">215</td> <td style="text-align: right;">14,747,861</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>576</b></td> <td style="text-align: right;"><b>80,831,618</b></td> </tr> </tbody> </table> <p>Note: This amount excludes other employee related costs of R28 million for travel allowance, housing allowance, overtime payments &amp; performance bonuses. Further amounts of R11 million for councillor remuneration and contracted services of R52 million are also not included.</p>		<i>No:</i>	<i>R(000s)</i>	- Legislators, senior officials and managers	35	16,623,161	- Professionals	24	7,118,892	- Technicians and associate professionals	17	4,540,907	- Clerks	123	19,179,904	- Service and sales workers	20	4,091,393	- Skilled agricultural and fishery workers	2	435,095	- Craft and related trades workers	74	8,503,737	- Plant and machine operators and assemblers	66	5,590,668	- Elementary occupations	215	14,747,861	<b>Total</b>	<b>576</b>	<b>80,831,618</b>		
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<b>Key Performance Area</b>	<b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b>	<b>Target</b>	<b>Actual</b>																																	

Skills Development Occupational Health and Safety Employment equity HR policies	% Compliance to Workplace Skills plan # man-hours lost - due to occupational, health and safety incidents	100% 0	11% 551	
	% Compliance to Employment Equity plan # Progress with the development and review of HR Policies	100% 8	90% 7	

**Table 22: Procurement**

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, bids, contract management etc. This function is administered by the Supply Chain Management Unit and works in collaboration with the different user departments.		
Description of the Activity:	<p><i>The function of procurement within the municipality is administered as follows and includes:</i></p> <p><b>Demand management:</b> The function is performed by the SCM unit and includes the management of the supply database together with determining needs by the different user departments and planning for satisfaction thereof.</p> <p><b>Acquisition management:</b> This includes the management of the actual process of procuring goods. It extends from calling for quotations to bid administration. The different user departments are involved in the drafting of the specifications and also in the evaluation process. For the formal bid process different bid committees have been set up, viz: Bid Specifications Committee, Bid Evaluation Committee and Bid adjudication Committee.</p> <p><b>Contract Management:</b> This is the process through with compliance with the terms of the contract is monitored together with assessment for the performance of the different service providers. This is done by the Legal Services Department together with the different user departments. In order to facilitate this service level agreements are entered into with all appointed service providers.</p> <p><i>The strategic objectives of this function are to:</i></p>		

	<p>be a well-capacitated, accessible unit that offers support to both internal and external clients in a fair, equitable, transparent, efficient and cost effective manner</p> <p><i>The key issues for 2007/08 are:</i></p> <p>To capacitate the unit through finalisation of the structure and appointment of the relevant officials.</p>		
Analysis of the Function:	<p>1 <i>Details of bid / procurement activities:</i></p> <ul style="list-style-type: none"> <li>- Total number of times that bid committee met during year</li> <li>- Total number of bids considered</li> <li>- Total number of bids approved</li> <li>- Average time taken from bid advertisement to award of bid</li> </ul> <p>Note: Figures should be aggregated over year across all municipal functions</p> <p>2 <i>Details of bid committee:</i></p> <p><b>Bid Adjudication Committee</b></p> <p>KM Mashaba (Chief Financial Officer) Chairperson      ES Maake (Corporate Services Manager) Deputy Chairperson      OZ Mkhombo (TSSL Manager)      P van den Heever (Electrical Services Manager)      F Mashianoke (Planning and Economic Development Manager)</p> <p><b>Bid Evaluation Committee</b></p> <p>N Phatudi (Legal Advisor) Chairperson      L Mahayi (Head - Building and maintenance section)      J Biewenga (Head - Budget and financial reporting)      L Mashao (Supply Chain Management Officer)      User Departmental representative</p> <p><b>Bid Specification Committee</b></p> <p>L Mashao (Supply Chain Management Officer)      User Departmental representative      Technical advisor</p>	37 31 23 79 days	
<b>Key Performance Area</b>	<b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b>	<b>Target</b>	<b>Actual</b>
Procurement	% of bids awarded according to technical specifications	100%	100%
	% of Bids awarded within 60 days of advertisement	100%	0%
	% of bids awarded within 30 days of submission	100%	0%

	% of Bids awarded to local contractors	65%	98%
	# of SCM reports submitted to council and national treasury	12	12

**Table 23: Planning and Development**

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with economic development initiatives		
Description of the Activity:	<p><i>The function of economic planning / development within the municipality is administered as follows and includes:</i></p> <ol style="list-style-type: none"> <li>1. Mefakeng Tourism development: Community tourism development</li> <li>2. Hawkers Research and Feasibility study: Feasibility study on how to organize the hawkers</li> <li>3. Greater Tzaneen Economic Development Agency: Establishment of an agency to assist in economic development</li> <li>4. Shopping Centers development: promotion of local buying and improvement of business services</li> <li>5. SMME development: promotion and development of SMME</li> <li>6. Agriculture development: Land claims support forum</li> </ol> <p><i>These services extend to include Socio-Economic Development, Tourism and LED. The municipality has a mandate to:</i></p> <p>Promote and network economic opportunities that will ensure job creation, poverty alleviation and investment for economic growth.</p> <p><i>The strategic objectives of this function are to:</i></p> <ol style="list-style-type: none"> <li>1. Create community beneficiation and empowerment opportunities through networking for increased employment and poverty alleviation</li> <li>2. Create a stable economic environment by attracting suitable investors</li> <li>3. Address community needs through developmental spatial and integrated planning</li> </ol>	R13M R745 000 R2,5M	

	<p><i>The key issues for 2007/08 are:</i></p> <ol style="list-style-type: none"> <li>1. Establishment of the Greater Tzaneen Economic Development Agency</li> <li>2. Hawkers Research and Feasibility study</li> <li>3. Land Claims Support Forum</li> <li>4. Construction of the Maake Plaza</li> <li>5. Agricultural support</li> <li>6. SMME support</li> <li>7. Mamitwa dam bridging studies</li> </ol>		
Analysis of the Function:			
1	<p><i>Number and cost to employer of all economic development personnel:</i></p> <ul style="list-style-type: none"> <li>- HOD</li> <li>- Senior Admin Officer</li> <li>- LED Officer</li> <li>- Tourism Officer</li> <li>- Tourism Information Officer</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<i>I</i> <i>I</i> <i>I</i> <i>I</i> <i>I</i>	<i>R (000s)</i>
2	<p><i>Detail and cost of incentives for business investment:</i></p> <p>None</p>		<i>R (000s)</i>
3	<p><i>Detail and cost of other urban renewal strategies:</i></p> <p>None</p>		<i>R (000s)</i>
4	<p><i>Detail and cost of other rural development strategies:</i></p> <p>None</p>		<i>R (000s)</i>
5	<p><i>Number of people employed through job creation schemes:</i></p> <ul style="list-style-type: none"> <li>- Short-term employment</li> <li>- Long-term employment</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives</p>	629 <i>n.a</i>	
6	<p><i>Number and cost to employer of all Building Inspectors employed:</i></p> <ul style="list-style-type: none"> <li>- Number of Building Inspectors</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package</p>	4 2 0	<i>R (000s)</i> <i>R 1,698,907</i> <i>R 122,021.76</i>

6	<p><i>Details of building plans:</i></p> <ul style="list-style-type: none"> <li>- Number of square meters new houses approved</li> <li>- Number of square meters additions to existing houses approved</li> <li>- Number of square meters new shops approved</li> <li>- Number of square meters additions to existing shops approved</li> <li>- Number of square meters additions to existing industrial approved</li> <li>- Number of square meters new churches approved</li> <li>- Number of square meters new townhouses approved</li> <li>- Number of square meters new other ( cellphone towers ) approved</li> </ul>	<p>m<sup>2</sup></p> <p>227871</p> <p>5334</p> <p>4215</p> <p>1763</p> <p>406</p> <p>2442</p> <p>16032</p> <p>5</p>	<p>Value</p> <p>R 68,343,000</p> <p>R 16,002,000</p> <p>R 12,645,000</p> <p>R 5,289,000</p> <p>R 12,000,000</p> <p>R 7,326,000</p> <p>R 48,096,000</p> <p>R 1,000,000</p>
<b>Reporting Level</b>	<b>Detail</b>		<b>Total</b>
7	<p><i>Type and number of grants and subsidies received:</i></p> <ol style="list-style-type: none"> <li>1. Irish Aid - Mefakeng Tourism Development</li> <li>2. EU- Hawkers Research</li> <li>3. EU- Fruit and Nut</li> </ol>		
<b>Key Performance Area</b>	<p><b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b></p>		
Local Economic Development	# of Public Private partnerships/ forums established to promote LED Total R-value of contracts awarded to SMME's # of jobs created through municipal LED initiatives	4 R2 Mil 500	7 0 620
Poverty Alleviation	% progress in development of poverty alleviation strategy	100%	60%
Land Management	% of Serviced and proclaimed sites sold	100%	45%
Town Planning	% Progress with review of SDF	100%	100%
Integrated Planning	% Compliance to the integrated IDP/ PMS/ Budget / PPPS Process Plan	100%	80%

**Table 24: Community and Social Services**

<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>
Overview:	Includes all activities associated with the provision of community and social services	

<p>Description of the Activity:</p>	<p><i>The function of provision of various community and social services within the municipality is administered as follows and includes:</i></p> <ol style="list-style-type: none"> <li>1. Maintain existing parks, cemeteries, sport facilities and open spaces and develop new.</li> <li>2. Manage &amp; maintain municipal Libraries</li> </ol> <p>These services extend to include Waste Management, Parks development and maintenance, Cemetery management, Community facilities and Libraries but do not take account of Museums, Child care and aged care which resides within the jurisdiction of provincial government. The municipality has a mandate to:</p> <ol style="list-style-type: none"> <li>1. Provide waste removal services to all households</li> <li>2. To develop and maintain parks and open spaces</li> <li>3. To develop and maintain cemeteries</li> <li>4. To develop and maintain community halls and recreational facilities</li> </ol> <p><i>The strategic objectives of this function are to:</i></p> <p><b>no submission</b></p> <p><i>The key issues for 2007/08 are:</i></p> <p><b>no submission</b></p>		
<p>Analysis of the Function:</p>	<p>1 Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> <li>- Library services</li> <li>- Museums and art galleries</li> <li>- Other community halls/facilities <ul style="list-style-type: none"> <li>• Minitzani Hall (Bookings managed by Tzaneen Library)</li> <li>• Study Hall in Tzaneen Library building</li> <li>• Turner Room (Board room in Haenertsburg Library building)</li> </ul> </li> <li>- Cemeteries and crematoriums</li> <li>- Child care (including creches etc)</li> <li>- Aged care (including aged homes, home help)</li> <li>- Schools</li> <li>- Sporting facilities (specify): Municipal Swimming pool</li> <li>Stadiums</li> <li>Tennis Courts</li> <li>Bowling greens</li> </ul>	<p><i>no of facilities:</i></p> <p>3</p> <p>1</p> <p>1</p> <p>1</p> <p>160</p> <p>0</p> <p>0</p> <p>0</p> <p>1</p> <p>2</p> <p>0</p> <p>0</p>	<p><i>no of users:</i></p> <p>90268</p> <p>2,880</p> <p>1,920</p> <p>900</p> <p><i>n.a.</i></p> <p><i>n.a.</i></p> <p><i>n.a.</i></p> <p><i>n.a.</i></p> <p><i>n.a.</i></p>

	Golf Course - Parks Developed (recreational) Open natural parks Note: the facilities figure should agree with the assets register	0 79718m <sup>2</sup> 329286m <sup>2</sup>	n.a 7 18
2	Number and cost to employer of all personnel associated with each community services function: - Library services - Museums and art galleries - Other community halls/facilities - Parks, Cemetaries and crematoriums - Child care - Aged care - Schools - Sporting facilities Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	11 0 0 160 0 0 0 3	R(000s) 1,682,685 n.a n.a n.a n.a n.a n.a
6	Total operating cost of community and social services function		R 71,437,562
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Parks & Open spaces	% progress with development of integrated parks management plan # of Parks and open spaces established	100% 1	0% 0
Cemeteries	% progress with development of cemetery management plan	100%	0%
Libraries	# people using the GTM libraries # books circulated # of school/community libraries assisted with starting library collections # of displays # of school groups hosted # of books donated to the GTM libraries # of books donated to schools via the Tzaneen Library Committee # of holiday programmes hosted # of book-related cultural events arranged	84,000 109200 2 106 84 350 250 3 3	90,268 110199 2 139 84 1005 315 5 11

**Table 25: Housing**

<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>
Overview:	Includes all activities associated with provision of housing	
Description of the Activity:	<p><i>The function of provision of housing within the municipality is administered as follows and includes:</i></p> <p>Municipal housing, Pioneers old age homes, Low income houses, Middle income houses, Community residential units and housing programmes in general. Implementation of Municipal of property rates Act -Valuation Roll, Change assessment rates, Interim/supplementary valuations, Administer Municipality land- Alienation of municipal land and identify land for purchase by Council, closure of parks, management of lease agreements, Removal of illegal occupants</p> <p><i>The municipality has a mandate to:</i></p> <p>Low income houses, Middle income houses, Community residential units and housing programmes in general. Implementation of Municipal of property rates Act -Valuation Roll, Change assessment rates, Interim/supplementary valuations, Administer Municipality land- Alienation of municipal land and identify land for purchase by Council, closure of parks, management of lease agreements, Removal of illegal occupants</p> <p><i>The strategic objectives of this function are to:</i></p> <p>Providing housing for the community i.e. low cost housing, social housing, subsidised housing.</p> <p><i>The key issues for 2007/08 are:</i></p> <p>Administer the following project: Dan ext 1 and 2 540 units low income houses.500units at Mbambamencisi,100units PHP at ward 5,150 units at Mandhlkazi 100 units at Lephephane Village and 100 units at Mariveni and 400units for Blocked projects</p>	

Analysis of the Function:	1	Number and cost of all personnel associated with provision of municipal housing: - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract  Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.	<i>n.a.</i>	<i>n.a.</i>	<i>R (000s)</i>
	2	Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years)  Note: Allocation of units is the responsibility of department of Local Gov and Housing	1890 units	R 73,509,660	<i>R (000s)</i>
	3	<i>Total type, number and value of housing provided:</i> RDP houses and PHP houses			
	4	<i>Total number and value of rent received from municipal owned rental units</i> N/a (all Municipal Houses has been sold)			
	5	<i>Estimated backlog in number of (and costs to build) housing:</i> RDP	14,000	609,084,000	(R)
	6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	2001 56,393 23,154 714 461 3,487 3,330		
	Reporting Level	Detail			Total
	7	<i>Type and number of grants and subsidies received:</i>			<i>R (000s)</i>
	8	None received Total operating cost of housing function	0	0	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Housing Development	<p>% Progress with the development of an Integrated housing plan</p> <p>% Of PHP units allocated by DPLGH completed</p> <p>% Compliance to housing accreditation criteria</p>	100% 100% 50%	60% 99% 50%

Table 26: Traffic			
Reporting Level	Detail	Total	
Overview:	Includes police force and traffic (and parking) control		
Description of the Activity:	<p><i>The policing and traffic control functions of the municipality are administered as follows and include:</i></p> <p>Law enforcement / Road Traffic Safety/ By-Law policing offered through visible patrols, response to complaints/ Accidents/ point duty at intersections/ schools/ accident scenes, including service delivery at all devoluted rural areas and outside Tzaneen suburbs.</p> <p><i>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government.</i></p> <p><i>The municipality has a mandate to:</i></p> <p>Police devoluted areas and villages falling within the GTM policing area- Law enforcement, escorts Road safety Education of which residents for the Limpopo Provincial Government are our priority</p> <p><i>The strategic objectives of this function are to:</i></p> <p>(1) All roads are used by the Community having knowledge of all road signs.</p> <p>(2) That deaths on our roads are reduced by 5% yearly, and</p> <p>(3) Law enforcement and road safety education are performed at rural areas and other suburbs.</p> <p><i>The key issues for 2007/08 are:</i></p>		

	Law Enforcement to all GTM policing areas and improve safety of drivers passengers, pedestrians rolling out road safety education campaigns to villages e.g Relela, Mokgoloboto, Dan, Burgersdorp, Julesburg, and Maake. Rendering 24 hour emergency services at suburb like Lenyenye, Nkowankowa, Haenertsburg and Letsitele.		
Analysis of the Function:	<p>1 <i>Number and cost to employer of all personnel associated with policing and traffic control:</i></p> <ul style="list-style-type: none"> <li>- Professional (Senior Management)</li> <li>- Field (Detectives/Supervisors)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (visible policing officers on the street)</li> <li>- Volunteer</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides</p> <p>2 <i>Total number of call-outs attended:</i></p> <ul style="list-style-type: none"> <li>- Emergency call-outs</li> <li>- Standard call-outs</li> </ul> <p>Note: provide total number registered, based on call classification at municipality</p> <p>3 <i>Average response time to call-outs:</i></p> <ul style="list-style-type: none"> <li>- Emergency call-outs</li> <li>- Standard call-outs</li> </ul> <p>4 <i>Total number of targeted violations eg: traffic offences:</i></p> <p>Speeding, Parking offences, Drunken driving, Cell phone offences, Safety belt offences, Driving licenses offences, Disregard for Road Traffic signs/ Markings</p> <p>5 <i>Total number and type of emergencies leading to a loss of life or disaster:</i></p> <p>6 <i>Type and number of grants and subsidies received:</i> None</p> <p>7 <i>Total operating cost of police and traffic function</i></p>	<p><i>R (000s)</i></p> <p>0 0</p> <p>336 485</p> <p>minutes 15 15</p> <p>?</p> <p>185</p> <p><i>R (000s)</i> na na</p> <p><i>R 95,173,86</i></p>	<p><i>R (000s)</i></p> <p>na na</p>
<b>Key Performance</b>	<b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to</b>	<b>Target</b>	<b>Actual</b>

Area	Improve Performance		
Traffic Law Enforcement	# of road safety interventions R-value revenue collected through law enforcement	10 R800,000	35 R2.314m

Table 27: Licensing													
Reporting Level	Detail	Total											
Overview:	Includes police force and traffic (and parking) control												
Description of the Activity:	<p><i>The policing and traffic control functions of the municipality are administered as follows and include:</i></p> <p><i>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</i></p> <p>Issue Vehicle licenses, driver licenses and professional driving permits.</p> <p><i>The strategic objectives of this function are to:</i></p> <p>To administer Vehicle &amp; Driver Registration through:</p> <ul style="list-style-type: none"> <li>- Vehicle license</li> <li>- Permits</li> <li>- De-registrations</li> <li>- Duplicate Registration Certificate</li> <li>- Motor Trade licenses</li> <li>- Instructor Certificates</li> <li>- Processing application of Trade license</li> <li>- Traffic Fine payments</li> <li>- Dog licenses</li> <li>-Temporary advertisements</li> <li>- Learners licenses &amp; Driver licenses</li> <li>- Professional Driving Permits</li> </ul>												
Analysis of the Function:													
1	<p><i>Number and cost to employer of all personnel associated with policing and traffic control:</i></p> <ul style="list-style-type: none"> <li>- Professional (Senior Management)</li> <li>- Field (Detectives/Supervisors)</li> <li>- Office (Clerical/Administration)</li> <li>- Temporary</li> <li>- Contract</li> </ul>	<p style="text-align: right;"><i>R (000s)</i></p> <table> <tr> <td style="text-align: right;">1</td> <td style="text-align: right;"><i>&lt;cost&gt;</i></td> </tr> <tr> <td style="text-align: right;">11</td> <td style="text-align: right;"><i>&lt;cost&gt;</i></td> </tr> <tr> <td style="text-align: right;">16</td> <td style="text-align: right;"><i>&lt;cost&gt;</i></td> </tr> <tr> <td style="text-align: right;">0</td> <td style="text-align: right;"><i>&lt;cost&gt;</i></td> </tr> <tr> <td style="text-align: right;">0</td> <td style="text-align: right;"><i>&lt;cost&gt;</i></td> </tr> </table>		1	<i>&lt;cost&gt;</i>	11	<i>&lt;cost&gt;</i>	16	<i>&lt;cost&gt;</i>	0	<i>&lt;cost&gt;</i>	0	<i>&lt;cost&gt;</i>
1	<i>&lt;cost&gt;</i>												
11	<i>&lt;cost&gt;</i>												
16	<i>&lt;cost&gt;</i>												
0	<i>&lt;cost&gt;</i>												
0	<i>&lt;cost&gt;</i>												

	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides		
2	<i>Total operating cost of the Licensing function</i>		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Licensing	% of learners and drivers license tests effected (as % of available slots for tests) # of complaints received at licensing R-value generated by the issuing of learners and drivers licenses	85% 50 R12m	90% 67 R7.04m

**Table 28: Solid Waste**

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	<p><i>The refuse collection functions of the municipality are administered as follows and include:</i></p> <p><b>Removal services</b></p> <p>a) A full curbside collection service is rendered to all communities in the following suburbs of Greater Tzaneen Municipality, which represents only 11% of all households. All residential, business, industrial and health care waste are removed from viz: Tzaneen, Nkowankowa, Lenyenye, Letsitele, Haenertsburg [ at present 160 000 m<sup>3</sup> non-compacted waste / annum]</p> <p>b) All residential, business, industrial and health care waste are removed viz: Tzaneen, Nkowankowa, Lenyenye, Letsitele, Haenertsburg on a weekly basis scheduled per extensions</p> <p><b>Litter picking/ street cleaning</b></p> <p>a) All streets, main roads public spaces [taxi &amp; bus ranks are cleaned on a regular and period schedule from all debris and solid waste [6 000 m<sup>3</sup> p.a.</p> <p>b) All route are cleaned in accordance with an appropriate route sheet/s</p> <p>c) All public taxi - &amp; bus ranks are continuously serviced and cleaned on a pre-determined schedule.</p>		

Public                    Off                    loading                    facilities

- a) Public- off- loading – facility each at: - Nkowankowa, Lenyenye, Letsitele, and Haenertsburg. [Only for OFFLOADING by the Public: NOT A TRANSFERSTATION]
- b) 6m<sup>3</sup> skips utilized for this purpose and are cleaned on a daily basis at the Tzaneen Regional Landfill.
- c) All P.O.F.s (public offloading facilities) are managed by a MSP (Waste Group Ingwe )
- d) No municipal employee utilized at these facilities.

**Public Toilets**

- a) 10 public toilet blocks managed by Tzaneen Solid Waste in Tzaneen (6), Nkowankowa (1), Letsitele (1), Haenertsburg (1) and Lenyenye (1)
- b)Blocks open for 12 hours daily
- c) Cleaning and disinfecting of blocks every 2.5 hours
- d) Provision of toilet paper for free

**Landfill**

- a) 1x Regional landfill, 4 km. from Tzaneen. [12ha in size.]
- b) Fully permitted from 1/12/2004 as a G.M.B- site.
- c) Landfill being managed by a M S P (Waste Group Ingwe) in compliance with spec's from the I.W.M.P.[Integrated Waste Management Plan]
- d) Managed in accordance with construction plan – cell building method

The jurisdiction area is divided by the main roads from Politsi via Tzaneen, Tarentaalrand, Letsitele and Trichardtsdal, in a Northern and Southern service region

*The municipality has a mandate to:*

*The strategic objectives of this function are to:*

- (1) Waste Minimisation through recycling, composting, re-use and rural waste minimization
- (2) Waste collection and transportation - curbside collection, bulk removal, medical waste removal, toxic waste removal, litter picking and fleet management
- (3) Disposal and treatment at permitted facilities and sites and public off-loading sites
- (4) Pollution control by operationalisation of toilet blocks and effective law enforcement
- (5) Management information systems through appropriate IT system, effective administration and information distribution to clients

Analysis of the Function:	1	<i>Number and cost to employer of all personnel associated with refuse removal:</i> Divisional Head. (Degree / Diploma) Sir. Superintendents. ( Degree / Diploma) Superintendents ( Degree / Diploma) Administration Clerk Snr. Team leaders.(Grade 10) Snr. Labourers. Contract (3x contractors) Total cost( personnel excluding contractors) -	1 2 2 1 11 121 3	<i>R (000s)</i> <i>R0.47milj.</i> <i>R0.70milj.</i> <i>R0.50milj.</i> <i>R0.15milj.</i> <i>R0.97milj.</i> <i>R8.50milj.</i> <i>R4.70milj.</i> <i>R11.20milj</i> <i>R (000s)</i>
	2	<i>Number of households receiving regular refuse removal services, and frequency and cost of service:</i> Residential removals / stands. Business removals / stands. Own removals-villages / stands. Litter picking/Streets Public Toilets.	9321 694 80034 5916 m <sup>3</sup> 10 x blocks	
	3	<i>Total and projected tonnage of all refuse disposed:</i> - Residential/Business/Industrial  - Garden/Clean Greens Note: provide total tonnage for current and future years activity	120,000 m <sup>3</sup>  15,436 m <sup>3</sup>	
	4	<i>Total number, capacity and life expectancy of refuse disposal sites:</i> - Domestic/Commercial (number) - Garden (number) Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period	m <sup>3</sup>  1,600,000 180,000	20 years 20 years
	5	<i>Anticipated expansion of refuse removal service:</i> - Domestic/Commercial  - Garden Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	6000 m <sup>3</sup>  0	<i>R (000s)</i> <i>R6.0 milj</i>  0
	6	<i>Free Basic Service Provision:</i> - Quantity (number of households affected) - Quantum (value to each household)	3825 1	<i>R2.8milj</i> <i>R65,04/m</i>
<b>Reporting Level</b>		<b>Detail</b>	<b>Total</b>	
5		Anticipated expansion of refuse removal service: - Domestic/Commercial  - Garden Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	6000 m <sup>3</sup>  0	<i>R (000s)</i> <i>R6.0 milj</i>  0
6		Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	3825 1	<i>R2.8milj</i> <i>R65,04/m</i>

	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
7	<i>Total operating cost of solid waste management function:</i>		
<b>Key Performance Area</b>	<b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b>	<b>Target</b>	<b>Actual</b>
Waste minimisation	Number of waste collection points in rural areas (schools)	8	8
Collection and Transportation	Number of waste collection points in urban areas (stands) R-Value of Free Basic waste removal	1,1242 R 3.8 Mil	12264 R .95 mil

**Table 29: Waste Water Management**

<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	<b>Cost</b>
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p><i>The sewerage functions of the municipality are administered as follows and include:</i></p> <p>Sewer is received from domestic industrial waste and other sources of waste water then purified up to the acceptable legal standard and discharged to the river</p> <p>These services extend to include <i>&lt;function/area&gt;</i>, but do not take account of <i>&lt;function/area&gt;</i> which resides within the jurisdiction of <i>&lt;national/provincial/other private sector&gt;</i> government. The municipality has a mandate to:</p> <p><i>The strategic objectives of this function are to:</i></p> <p>(1) Render a service with cost recovery on a sustainable manner.</p> <p>(2) This service is provided on a 24 hour basis to all urban areas of Tzaneen, Nkowankowa, Lenyenye, Haenertsburg, Politsi and Letsitele.</p> <p>(3) The service includes a sustainable maintenance support on a 24 hour basis, wherein currently we are the water service provider at this stage and Mopani District is the water service authority.</p>		

	The key issues for 2007/08 are:		
Analysis of the Function:			
1	<p><i>Number and cost to employer of all personnel associated with sewerage functions:</i></p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>		<i>R 1 289 194</i> <i>R 0,5 M</i> <i>R 0,3 M</i> <i>R 0,4 M</i> <i>R 90 194,00</i>
2	<p><i>Number of households with sewerage services, and type and cost of service:</i></p> <ul style="list-style-type: none"> <li>- Flush toilet (connected to sewerage system)</li> <li>- Flush toilet (with septic tank)</li> <li>- Chemical toilet</li> <li>- Pit latrine with ventilation</li> <li>- Pit latrine without ventilation</li> <li>- Bucket latrine</li> <li>- No toilet provision</li> </ul> <p>Note: if other types of services are available, please provide details</p>	1700	<i>R 2 098 465</i>
3	<p><i>Anticipated expansion of sewerage:</i></p> <ul style="list-style-type: none"> <li>- Flush/chemical toilet</li> <li>- Pit latrine</li> <li>- Bucket latrine</li> <li>- No toilet provision</li> </ul> <p>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>		<i>R (000s)</i>
4	<p><i>Free Basic Service Provision:</i></p> <ul style="list-style-type: none"> <li>- Quantity (number of households affected)</li> <li>- Quantum (value to each household)</li> </ul>		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	<b>Cost</b>
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
5	<i>Total operating cost of sewerage function</i>		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Sanitation	% of Households without RDP standard sanitation service % Progress with the completion of a Water and Sanitation Master Plan % of Indigent households with access to free basic sanitation # of Households that received sanitation services	10% 10% 90% 6121	10% 0% 71% 6121

Table 30: Road Transport			
Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p><i>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</i></p> <p>Building new and maintaining existing roads, sidewalks and storm water structures in Greater Tzaneen Municipal area, with all resources available to ensure maximum service delivery to the community.</p> <p>These services extend to include <i>&lt;function/area&gt;</i>, but do not take account of <i>&lt;function/area&gt;</i> which resides within the jurisdiction of <i>&lt;national/provincial/other private sector&gt;</i> government.</p> <p><i>The municipality has a mandate to:</i></p> <p><i>The strategic objectives of this function are to:</i></p> <p>To ensure access to roads and proper storm water controls by all households</p> <p><i>The key issues for 2007/08 are:</i></p>		
Analysis of the Function:	<p>1 <i>Number and cost to employer of all personnel associated with road maintenance and construction:</i></p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> </ul>		<i>R (000s)</i> 0 4

	<ul style="list-style-type: none"> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	0	0
2	<p><i>Total number, kilometres and total value of road projects planned and current:</i></p> <ul style="list-style-type: none"> <li>- New bitumenised (number)</li> <li>- Existing re-tarred (number)</li> <li>- New gravel (number)</li> <li>- Existing re-sheeted (number)</li> </ul> <p>Note: if other types of road projects, please provide details</p>	0	R (000s) 0
3	<p><i>Total kilometers and maintenance cost associated with existing roads provided</i></p> <ul style="list-style-type: none"> <li>- Tar</li> <li>- Gravel</li> </ul> <p>Note: if other types of road provided, please provide details</p>	3km 16km	R (000s) 3,000,000 2,500,000
4	<p><i>Average frequency and cost of re-tarring, re-sheeting roads</i></p> <ul style="list-style-type: none"> <li>- Tar</li> <li>- Gravel</li> </ul> <p>Note: based on maintenance records</p>		R (000s)
5	<p><i>Estimated backlog in number of roads, showing kilometers and capital cost</i></p> <ul style="list-style-type: none"> <li>- Tar</li> <li>- Gravel</li> </ul>	258 2064km	R (000s) 1.5M/km 850,000/km
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	<b>Cost</b>
6	<i>Type and number of grants and subsidies received:</i> Municipal Infrastructure Grant		R19,611,106.43
7	Total operating cost of road construction and maintenance function		
<b>Key Performance Area</b>	<b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b>	<b>Target</b>	<b>Actual</b>
Road maintenance	% Progress with the development of a Roads master plan % increase in storm water drainage per km roads Km of transportation routes upgraded Km of road provided with stormwater measures R value spent on road and storm water maintenance	100% 80% 180km 15km R16.2m	80% 60% 140km 10km R13,816,102

	Km of municipal roads maintained	200km	235km
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**Table 31: Water**

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p><i>The water purchase and distribution functions of the municipality are administered as follows and include:</i></p> <p>Purchasing, Purification and supplying (and Rural segment of GTM)</p> <p><i>The municipality has a mandate to:</i></p> <p>Render the provisioning of Water Services within its jurisdiction</p> <p><i>The strategic objectives of this function are to:</i></p> <p>Plan, manage and providing the relevant functions of water services</p> <p><i>The key issues for 2009/10 are:</i></p> <p>Insufficient budget which hinders the unit to fulfill all its needs and the needs of the community.</p>		
Analysis of the Function			
1	<p>Number and cost to employer of all personnel associated with the water distribution function:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p>2</p> <p>4</p> <p>?</p> <p>?</p> <p>?</p>	<p>R 4,6 M</p> <p>R 0,8 M</p> <p>R 0,9 M</p> <p>R 2,9 M</p>
2	<p>Percentage of total water usage per month</p> <p><i>&lt;Insert table showing monthly water usage &gt;</i></p> <p>Note: this will therefore highlight percentage of total water stock used per month</p>	<i>&lt;volume&gt;</i>	<i>&lt;cost&gt;</i>

3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer - <i>Category 1 &lt;insert here&gt;</i> - <i>Category 2 &lt;insert here&gt;</i> - <i>Category 3 &lt;insert here&gt;</i> - <i>Category 4 &lt;insert here&gt;</i>	<volume> <volume> <volume> <volume>	<cost> <cost> <cost> <cost>
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer: - <i>Category 1 &lt;insert here&gt; (total number of households)</i> - <i>Category 2 &lt;insert here&gt; (total number of households)</i> - <i>Category 3 &lt;insert here&gt; (total number of households)</i> - <i>Category 4 &lt;insert here&gt; (total number of households)</i>	<volume> <volume> <volume> <volume>	<cost> <cost> <cost> <cost>
5	Total year-to-date water losses in kilolitres and rand <detail total>	<volume>	R (000s) <cost>
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: if other types of services are available, please provide details		R 18 407,704 R 2,207,704 R 16,000,000  R 200,000.00
7	Number and cost of new connections: <detail total>	<number>	R (000s) <cost>
8	Number and cost of disconnections and reconnections: <detail total>	<number>	R (000s) <cost>
9	Number and total value of water projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget		R (000s)

10	<p>Anticipated expansion of water service:</p> <ul style="list-style-type: none"> <li>- Piped water inside dwelling</li> <li>- Piped water inside yard</li> <li>- Piped water on community stand: distance &lt; 200m from dwelling</li> <li>- Piped water on community stand: distance &gt; 200m from dwelling</li> <li>- Borehole</li> <li>- Spring</li> <li>- Rain-water tank</li> </ul> <p>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>	80	R 1, 5 M
11	<p>Estimated backlog in number (and cost to provide) water connection:</p> <ul style="list-style-type: none"> <li>- Piped water inside dwelling</li> <li>- Piped water inside yard</li> <li>- Piped water on community stand: distance &lt; 200m from dwelling</li> <li>- Piped water on community stand: distance &gt; 200m from dwelling</li> <li>- Borehole</li> <li>- Spring</li> <li>- Rain-water tank</li> </ul> <p>Note: total number should appear in IDP, and cost in future budgeted capital housing programmes</p>	350	R (000s)
12	<p>Free Basic Service Provision:</p> <ul style="list-style-type: none"> <li>- Quantity (number of households affected)</li> <li>- Quantum (value to each household)</li> </ul> <p>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.</p>		
13	<p>Type and number of grants and subsidies received:</p> <p><i>none</i></p> <p>Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.</p>		
14	Total operating cost of water distribution function		R 18,407,704

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Water distribution	# of new basic water connections # metered water connections / total figure of households, as % % of Indigent households with access to free basic water	40 90% 90%	880 10% 72%

**Table 32: Electricity Distribution**

Reporting Level	Detail	Total	Cost
Overview:	<p>The Electrical services department's main function is to distribute and sell electricity within its licensed area. It is responsible for constructing networks, connecting customers and repairing and maintaining networks. It is also responsible for maintaining public lighting and street lights. The Greater Tzaneen Municipality consumers consist of domestic, agricultural, industrial and business customers</p>		
Description of the Activity:	<p><i>The electricity purchase and distribution functions of the municipality are administered as follows and include:</i></p> <p>New connections</p> <ul style="list-style-type: none"> <li>•Upgrading</li> <li>•Down grading</li> <li>•Extension of network</li> </ul> <p><i>The municipality has a mandate to:</i></p> <p>The municipality has a mandate to act in accordance to its Distribution Licenses as issued by the National Electricity Regulator of South Africa (N.E.R.S.A).</p> <p><i>The strategic objectives of this function are to:</i></p> <p>(1) Address ongoing maintenance, and accumulated maintenances of backlog of 2000km of electrical distribution lines over a period of 10 years starting 2002/2003 financial</p>		

	<p>year.</p> <p>(2) To improve and provide service delivery in a sustainable manner by ensuring sufficient electrical distribution system capacity.</p> <p>(3) To ensure safe and sustainable basic electricity services for ±35000 households in the Greater Tzaneen Municipality area.</p> <p>(4) To ensure free basic electricity (EBSST-FBE) to all indigent households within the Greater Tzaneen Municipality area.</p> <p>(5) To positively contribute towards the improvement of public safety and security.</p> <p>(6) To ensure occupational health and safety within the workplace.</p> <p>(7) To monitor and acquire statistical data on the performance of the distribution network.</p> <p>(8) Interacting with consumers to ensure continuity of supply and monitoring of problem areas</p>		
Analysis of the Function:	<p><i>The key issues for 2007/08 are:</i></p> <p>(1) The electrical distribution system which is not maintained up to standard, due to shortage of funds.</p> <p>(2) Insufficient electrical capacity due to increased demand in the distribution area.</p> <p>(3) Electrification backlogs in villages.</p> <p>(4) Electricity system monitoring and complying with the regulations and specifications.</p>		

	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.		
2	<i>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</i> Urban Division Rural Division	kwh	R (000s) 165,148,313 201,847,938 R 20,912,868 R 25,560,172
3	<i>Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</i> Urban Division Rural Division		141,015,922 166,550,841 R 33,663,310 R 37,685,261
4	<i>Total year-to-date electricity losses in kilowatt hours and rand &lt;detail total&gt;</i>		59,429,489 R13,781,698
5	<i>Number of households with electricity access, and type and cost of service:</i> Municipal Eskom Non-electrified (Eskom distribution area)		R (000s) 8,264 84,729 35,466 <cost> <cost> <cost>
Reporting Level	Detail	Total	Cost
6	<i>Number and cost of new connections:</i>	102	R (000s) R 1,156,658
7	<i>Number and cost of disconnections and reconnections</i>	16620	R 71,057,903
8	<i>Number and total value of electrification projects planned and current:</i> - Current (financial year after year reported on) (Farm Labour Housing) - Planned (future years) (Farm Labour Housing) - Current (financial year after year reported on) (Eskom Distribution Area)	250 800 971	R1,056,076.49 R480,00,000 R 58,000,000
9	<i>Anticipated expansion of electricity service:</i> Installation of new cables and substations Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	<total>	R120,000,000
10	<i>Estimated backlog in number (and cost to provide) Electricity connection:</i> Note: total number should appear in IDP, and cost in future budgeted capital housing	35,466	R 230,529,000

	programmes		
11	<p><i>Free Basic Service Provision:</i></p> <ul style="list-style-type: none"> <li>- Quantity (number of households affected)</li> <li>- Quantum (value to each household)</li> </ul> <p>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.</p>	10423 50KWh	R 2,990,769.76
12	<p><i>Type and number of grants and subsidies received:</i></p> <p><i>D.M.E Grant for the electrification of farm labour housing</i></p>	I	R (000s) R 1,056,076.49
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
13	<i>Total operating cost of electricity distribution function</i>		R 21,445,945
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Electrification	% electricity backlog (# Households that needs electrical connections / Total # households as %) # of new electricity connections in licensed distribution area % of Indigent households with access to free basic electricity # of Farm labour houses electrified % Electricity losses unaccounted for (electricity losses)	29.9% 38 60% 280 12%	31% 676 57% 250 12%
Network maintenance	% of Substations maintained (Rural 33/11kV) % of Substations maintained (Urban 132/66/33/11 kV) # Meter boxes maintained (Town) # Meter boxes maintained (Rural) % of Auto reclosers maintained Km of overhead lines rebuilt	100% 100% 500 40 45% 35km	100% 100% 500 35 10% 0km

**Table 33: Street Lighting**

Reporting Level	Detail	Total	Cost
Overview:	The municipal is responsible for the provision and maintenance of public and street lights in the municipality' electricity distribution area i.e. Tzaneen, Letsitele, Gravelotte & Haenertsburg. It is also responsible in Eskom's distribution area such as Nkowankowa Township. The other responsibility is providing strategic lights in villages		
Description of the Activity:	<p><i>Street lighting responsibilities of the municipality are administered as follows and include:</i></p> <p>(1) Operational Budget is allocated for maintenance of lights</p> <p>(2) Capital budget is allocated for installation of new lights</p> <p><i>The municipality has a mandate to:</i></p> <p>(1) Install lights in public places, streets and strategic areas</p> <p>(2) Sustain the lightning by maintaining the lights installed</p> <p><i>The strategic objectives of this function are to:</i></p> <p>(1) To provide sufficient light to the communities</p> <p>(2) To positively contribute towards the improvement of public safety</p>		
Analysis of the Function:	<p>1 <i>Number and total operating cost of streetlights servicing population:</i>  <i>&lt;complete&gt;</i>  Note: total streetlights should be available from municipal inventory</p> <p>2 <i>Total bulk kilowatt hours consumed for streetlighting:</i>  <i>&lt;complete&gt;</i>  Note: total number of kilowatt hours consumed by all street lighting for year</p>	<p>2,793</p> <p>652,701</p>	<p>R (000s)</p> <p>R682,885</p>
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Streetlighting	% of Streetlights maintained	100%	90%

## **6. CONCLUSION**

The year 2007/08 was a year of great financial difficulties for the Greater Tzaneen Municipality. In spite of this Council and Administration pulled together to serve our community to the best of our ability. The report highlighted all the achievements and challenges experienced during this year with the following being our proudest achievements:

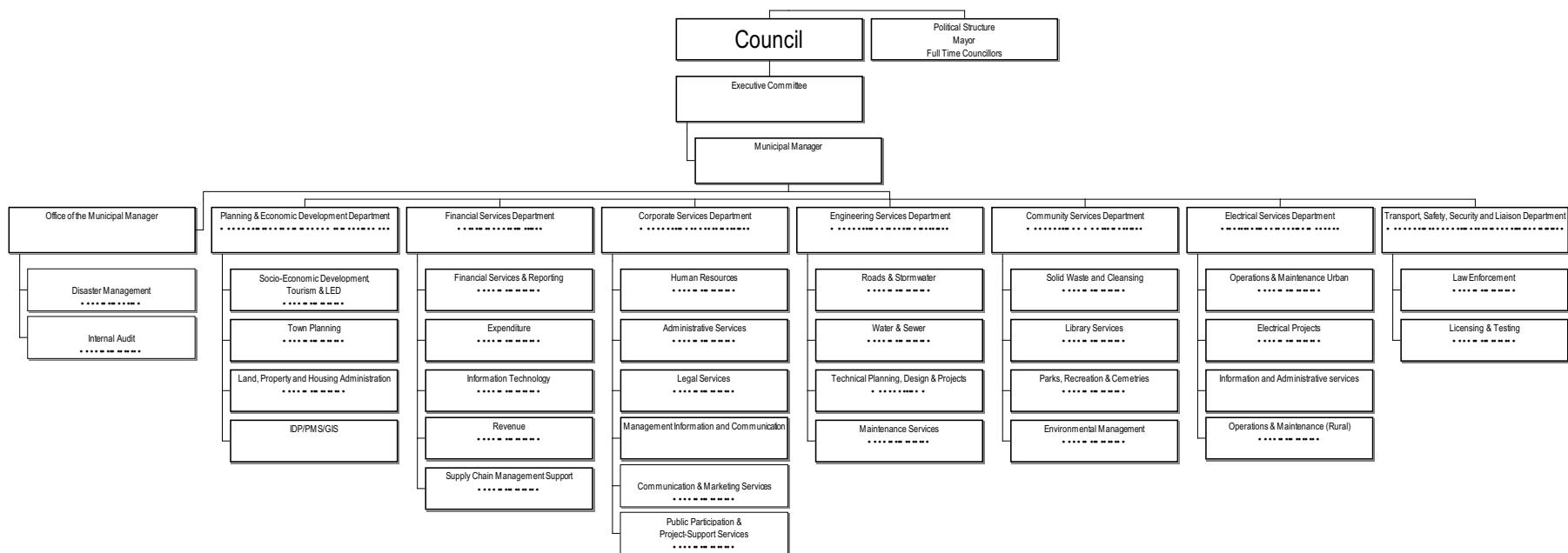
- Continuous environmental monitoring to prevent the outbreak of Cholera
- Library services rendered to more than 90,000 users
- Winner of the Provincial Cleanest Town competition and runner up in the National competition
- 32 Functional Ward committees
- 4Thusong Centres providing services directly to the communities
- Electrification of 250 Farm Worker Houses
- Development of Traditional Area Spatial Development Plans

Greater Tzaneen Municipality will continue to strive towards attaining our vision: To be the fastest growing economy in Limpopo where all households have access to basic sustainable services.

### Annexure A: Service Delivery Backlogs - Annual report (2007/08)

Water Backlogs (GKI per month)	30-Jun-07			30-Jun-08			30-Jun-09		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No of Households not Receiving Minimum Service)									
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)									
Spending on new infrastructure to eliminate backlogs (R'000)									
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)									
Total Spending to eliminate backlogs (R'000)									
Spending on maintenance to ensure no new backlogs are created (R'000)									
<b>Sanitation Backlogs</b>									
Backlogs to be eliminated (No of Households not Receiving Minimum Service)									
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)									
Spending on new infrastructure to eliminate backlogs (R'000)									
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)									
Total Spending to eliminate backlogs (R'000)									
Spending on maintenance to ensure no new backlogs are created (R'000)									
<b>Refuse Removal Backlogs</b>									
Backlogs to be eliminated (No of Households not Receiving Minimum Service)	80034			75452			71452		
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)	89%			84%			79%		
Spending on new infrastructure to eliminate backlogs (R'000)	R 55,000,000								
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	0								
Total Spending to eliminate backlogs (R'000)	0								
Spending on maintenance to ensure no new backlogs are created (R'000)	R 7,000,000								

	30-Jun-07			30-Jun-08			30-Jun-09		
<b>Water Backlogs (GKI per month)</b>	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>Electrical Backlogs (30KWH Per month)</b>									
Backlogs to be eliminated (No of Households not Receiving Minimum Service)									
36416									
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)									
30%									
29%									
Spending on new infrastructure to eliminate backlogs (R'000)	Eskom Distribution Area	Unknown	Unknown	Eskom Distribution Area	Unknown	Unknown	Eskom Distribution Area	Unknown	Unknown
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	Distribution Area	Unknown	Unknown	Eskom Distribution Area	Unknown	Unknown	Distribution Area	Unknown	Unknown
Total Spending to eliminate backlogs (R'000)	Eskom Distribution Area	Unknown	Unknown	Eskom Distribution Area	Unknown	Unknown	Eskom Distribution Area	Unknown	Unknown
Spending on maintenance to ensure no new backlogs are created (R'000)	Eskom Distribution Area	Unknown	Unknown	Eskom Distribution Area	Unknown	Unknown	Eskom Distribution Area	Unknown	Unknown
<b>Roads Backlogs</b>									
Backlogs to be eliminated (No of Households not Receiving Minimum Service)									
83920									
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)									
82%									
81,8%									
Spending on new infrastructure to eliminate backlogs (R'000)	148,650,000	6,000,000	6,000,000	142,650,000	6,000,000	6,000,000	136,650,000	6,000,000	6,000,000
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	33,000,000	3,200,000	3,200,000	30,000,000	4,000,000	4,000,000	26,000,000	4,000,000	4,000,000
Total Spending to eliminate backlogs (R'000)	181,650,000	9,200,000	9,200,000	172,650,000	10,000,000	10,000,000	162,650,000	10,000,000	10,000,000
Spending on maintenance to ensure no new backlogs are created (R'000)									
<b>TOTALS</b>									



**CFO**



A U D I T O R - G E N E R A L

OFFICE OF THE AUDITOR-GENERAL PRIVATE BAG X9339 POLOKWANE 0700 REPUBLIC OF SOUTH AFRICA TEL (015) 299-4400 & FAX (015) 299-4765

The Municipal Manager  
Greater Tzaneen Municipality  
Po Box 24  
TZANEEN  
0850

29 November 2008

Dear Sir

**REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE GREATER TZANEEN MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004 read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).
2. In terms of section 21(3) of the afore-mentioned Act these reports are required to be tabled in accordance with any applicable legislation within a reasonable time. Cognisance should be taken that this section furthermore determines that if the report is not tabled in council within one month after its first sitting after the report has been submitted, it must be published by the Auditor-General.
3. Until tabled, or published by the Auditor-General, this report is **not a public document** and should therefore be treated as **confidential**.
4. If it is the intention of your municipality to publish the attached audit report as part of the municipality's annual report, you are requested to please do the following:
  - Submit the final printer's proof of the annual report (which includes both the audit reports for the financial statements and performance measures) to Mr. WJ Immelman of the Auditor-General for verification of the audit-related references before it is printed or copied. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - Print the logo of the Auditor-General in the upper right-hand corner of the first page of the audit report. The official logo will be made available to you electronically if needed.
5. Please notify the Business Executive of the Limpopo Province well in advance of the date on which the audit report, or the annual report containing this audit report, will be tabled at the municipality.

6. Your co-operation to ensure that all these requirements are met would be much appreciated.
7. Kindly acknowledge receipt of this letter.

**Yours faithfully**



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**MD Tjale**  
**For AUDITOR-GENERAL**

**The content of this letter are acknowledged and confirmed by on behalf of the Greater Tzaneen Municipality.**



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**MUNICIPAL MANAGER**

REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL  
LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND  
PERFORMANCE INFORMATION OF THE GREATER TZANEEN MUNICIPALITY FOR  
THE YEAR ENDED 30 JUNE 2008

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Greater Tzaneen Municipality (municipality) which comprise the statement of financial position as at 30 June 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

**Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Basis of accounting**

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

#### **Basis for qualified opinion**

##### **Capital replacement reserve (CRR)**

10. The municipality's accounting policy note 4.1 on the CRR states that the CRR is fully funded by cash and that the cash can not be used for any other purpose. The CRR amounting to R8 623 038 was not funded by cash at year-end as the municipality has a bank overdraft. This is also contradictory to the accounting standards implementation guide issued by National Treasury with MFMA Circular No. 18 dated 23 June 2005.

##### **Trade and other payables**

11. Included under trade and other payables are unknown deposits amounting to R1 894 711, which differed by R787 959 from the supporting schedules provided by the municipality. Alternative procedures could not be performed and consequently I was unable to satisfy myself as to the valuation, obligation and existence of the unknown deposits at year-end.

##### **Qualified opinion**

12. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Greater Tzaneen Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the applicable reporting framework and in the manner required by the MFMA.

#### **Emphasis of matters**

I draw attention to the following matters:

### Going concern

13. The municipality's note 36 to the financial statements indicates that the Greater Tzaneen Municipality's current liabilities exceeded its current assets by R7,1 million for the year ended 30 June 2008 and, as of that date, the municipality's bank account was in overdraft by R12,8 million. Grant moneys have also been utilised to fund operational expenditure. These conditions, along with other matters, point to the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

### Amendments to the applicable basis of accounting

14. As set out in accounting policy note 37, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of General Notice 552 of 2007, issued in Government Gazette No. 30013 of 29 June 2007.

### OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

#### Internal controls

15. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Capital replacement reserve			✓		
Trade and other payables			✓		✓

Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.

Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
or standard checklists, by employees within a process.					

### Matters of governance

16. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
<b>Audit committee</b>		
<ul style="list-style-type: none"> <li>The municipality had an audit committee in operation throughout the financial year.</li> <li>The audit committee operates in accordance with approved, written terms of reference.</li> <li>The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.</li> </ul>	✓	
<b>Internal audit</b>		
<ul style="list-style-type: none"> <li>The municipality had an internal audit function in operation throughout the financial year.</li> <li>The internal audit function operates in terms of an approved internal audit plan.</li> <li>The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.</li> </ul>	✓	
<b>Other matters of governance</b>		
<ul style="list-style-type: none"> <li>The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.</li> <li>The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.</li> <li>The financial statements submitted for audit were not subject to any material amendments resulting from the audit.</li> <li>No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.</li> <li>The prior year's external audit recommendations have been substantially implemented.</li> </ul>	✓	
<b>Implementation of Standards of Generally Recognised Accounting Practice (GRAP)</b>		
<ul style="list-style-type: none"> <li>The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.</li> <li>The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.</li> </ul>	✓	✓

Matter of governance	Yes	No
<ul style="list-style-type: none"> <li>The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.</li> </ul>		✓

#### Unaudited supplementary schedules

17. The supplementary information set out on pages [xx] to [xx] does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

#### OTHER REPORTING RESPONSIBILITIES

##### REPORT ON PERFORMANCE INFORMATION

18. I was engaged to review the performance information.

##### Responsibility of the accounting officer for the performance information

19. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

##### Responsibility of the Auditor-General

20. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

21. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

22. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

##### Audit findings (performance information)

##### Non-compliance with regulatory requirements

23. The municipality did not adopt a performance management system as required by section 8 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (Gazette number (GNR) 796 of 24 August 2001).

24. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required in terms of section 45(a) of the MSA and section 14(c) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001).

25. No evidence was provided that the performance audit committee reviewed all the quarterly performance reports for the year under review. An audit report was also not submitted to the council regarding the performance management system of the municipality, as required by section 14(4)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001).
26. No evidence could be provided of adequate involvement of the community in the IDP process as required by section 28 of the MSA and section 8 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001).

**Performance information not received in time**

27. The municipality did not provide me with the annual performance report in terms of section 46 of the MSA.

**APPRECIATION**

28. The assistance rendered by the staff of the municipality during the audit is sincerely appreciated.



Pretoria

29 November 2008



GREATER TZANEEN MUNICIPALITY						
ANNEXURE E: MANAGEMENT REPORT AND ACTION PLAN FOR THE 2007/2008 AUDIT REPORT						
No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
1	Irregular expenditure					
1.1	Non- compliance to the MFMA	Expenditure worth R 300 000 incurred in contravention of the SCM regulations	No effective system in place to identify and report on fruitless and wasteful expenditure	A system will be put in place through which departments are involved in the identification and reporting of fruitless and wasteful . Expenditure. The expenditure section will log all suspected such cases which will be investigated and reported on accordingly. Departments will additionally be requested to submit any other cases that they are aware of.	HOD Expenditure to log and HOD budgeting to invite submissions by departments	31-Jan-09
2	Budget exceeded	Budget overspend by under provision on Bad Debts	Budgeted provision is based on the estimates.	The provision will be reviewed during the budget adjustment process	HOD Revenue	28-Feb-09
3	Contingent liability	Contingent liability not properly disclosed	No system to identify and report on contingent liabilities	Memo will be sent out to departments during June of each year for them to report on contingent liabilities that they are aware of	HOD budgeting	30-Jun-09
4.4	Inaccurate posting from transaction accounts	Stand sale debtors' listing does not agree with the Financial Statements	No proper reconciliation performed at year-end	Reconciliations to be done monthly	HOD Revenue	31-Jan-09
5.1	Long-term debtors	Long term debtors balance could not be substantiated	Poor documentation on debt moratorium arrangements and no proper monthly reconciliation	Reconciliations to be done monthly	HOD Revenue	31-Jan-09

No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
9.2	Internal audit not reviewing performance information		Performance audits were not conducted in the past	All performance information will be audited by internal audit	HOD Internal audit	31-Jan-09
9.3	Inadequate review of quarterly information by audit committee		Audit committee was newly established	All quarterly information will be submitted to the audit committee for review	PED manager	31-Jan-09
9.5	Could not confirm that all IDP entries are included on the PMS	Audit finding vague but the municipality is in the process to review its PMS to ensure that it is in line with the IDP			PED manager	
9.6	Performance contracts for the Municipal Manager and Chief Financial Officer not obtained		The contracts were dependant of the finalisation of the IDP and SDBIP. These were delayed due to uncertainties with regards to the capital projects to be implemented. These were finalised during the course of the audit		Municipal Manager	
9.7	Service delivery and Budget implementation Plan not submitted for the full financial year	The SDBIP and Internal Audit reports were not reviewed by Audit committee and reports thereon submitted to Council.			PED manager	
9.8					Internal audit	
9.9	No proof of review of monthly meter readings		Exception reports not signed for checking function	The reports will be signed monthly by the senior official who checked them.	HOD Revenue	31-Dec-08
10.1	VAT	Interest and penalties not disclosed under fruitless and wasteful expenditure	New system of SARS filing	The matter has been resolved		
10.2	VAT returns	The returns not submitted on time	Postal delays			

No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
11.1	Unknown deposits reconciliation	The unknown deposits list does not agree with the General Ledger	Poor reconciliation	Reconciliations to be done monthly	HOD Revenue	31-Dec-09
16.2	<b>Investment policy note</b>	No provision in the accounting policy for investment properties		Will be included in the next AFS	HOD Revenue	
16.3	Capital replacement reserve not cash backed		Financial constraints	Amount will be written back	HOD budgeting	30-Jun-09
17	Unspent conditional grants	Unspent conditional grants not cash backed	Financial constraints	Financial recovery plan has been drafted to address this		
Annexure B						
2.1	No increases in deposits on arrear accounts			Fujitsu will be requested to provide for this on promise	HOD Revenue	31-Jan-09
2.2	\$			Addressed		
2.3	Property rates	Property rates levied does not agree to valuation roll		Addressed		
2.4	No receipts for cash received by drivers' license offices			Addressed		
2.5	Reconciliation of property rates income	Property rates are not reconciled to the valuation roll on monthly basis	Confusion with regard to responsibility for this as the valuation roll was the responsibility of the PED department	Responsibility for the valuation roll has been transferred to the revenue section and this section will be responsible for this function	HOD: Revenue	31-Jan-09

No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
3.1	Operating lease payments in the general ledger is not in accordance with the lease agreements		No contract addendums in place	Contract addendums will have signed for all amendments to the contract.	Legal Advisor	28-Feb-09
3.2	Legal fees are set off against collection cost income		The contract with the firms responsible for collecting outstanding debts provided that they could deduct their costs from the money collected before paying the money over to the municipality.	The amount deducted by the attorneys will be disclosed as an expense separately.	HOD: Financial reporting	30-Jun-09
3.3	Recurring expenses not allocated to same vote every month			Addressed		
4	<b>Employee costs</b>					
4.1	Leave forms signed after leave was taken		Poor control over leave administration	No leave will be taken without leave form being properly signed	Managers and HOD's	31-Jan-09
4.2	Differences noted on termination leave payouts			Addressed		
4.3	Rental agreements could not be obtained	Rental agreements for houses rented by Council employees could not be obtained		This case refers to instances where some officials have to stay in municipal houses as a requirement of their job. A contract is not required in this case - Addressed		
4.4	Employee costs: Master file amendments			Addressed		

No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
4.5	Renewal of contracts			Addressed		
5	Inventory					
5.1	Inventory not captured in the correct period			Addressed		
5.2	Stock take differences not processed			The corrective journal will be passed	HOD: Expenditure	31-Jan-09
5.3	Estimate on water and electricity not performed at year end			Addressed		
6	<b>Property plan and equipment</b>					
6.1	Furniture and fittings negative balance			Addressed		
6.2	Assets not recorded in the fixed asset register	A number of assets (total value R 94 555) could not be physically verified while some assets could not be found on the asset register	The assets that could not be physically verified were caused by poor description thereof or of the location while those that could not be traced to the asset register due to assets that were bought whose cost was below the threshold for disclosure as capital asset	The department of Local Government and Housing is engaged in a process to help the municipality update its asset register which will help in proper description of assets being captured. Assets that are not on the asset register will be captured.	HOD: Expenditure	28-Feb-09
7	<b>Unauthorized expenditure</b>					
7.1	Supply chain management documents could not be obtained	Updated tax clearance certificates could not be obtained for a number of service providers on the municipality's database of service providers	Database not updated regularly. The municipality also did not have a dedicated official to deal with the database maintenance. An official has however since been appointed.	The municipality will be engaging in a process to cleanse its database which will result in only accredited service providers who comply with all legislative requirements being on the database. However it can be indicated that bids are only offered to service providers whose tax clearance certificate is up to date.	HOD: SCM	30-Jun-09
8	<b>Compliance with legislation</b>					
8.1	Non-compliance with annual leave requirements	Officials did not take the minimum amount of leave	Lack of monitoring of leave balances	The HR section will monitor leave days balances of different officials and report thereon monthly	HOD: HR	28-Feb-09
8.2	No declaration of interest completed	A number of officials and councillors did not disclose their interests in other companies and corporations	Non-compliance with legislative requirements	HR to follow-up with those officials that did not disclose their business interests	HOD: HR	28-Feb-09
8.3	Non-compliance with MFMA			Addressed		

No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
9	Receivables					
9.1	Debts not handed over for collection	Debts older than 90 days were not handed over for collection.	Municipality was still in process of appointing debt collectors and dealing with issues that were raised by the community that led to non-payment of accounts	The debt collectors have been appointed and all outstanding debts are now being handed-over.		
9.2	Difference between bad debts authorized by Council and general ledger	There was a difference of R 575 844 between the bad debts authorized by Council and actual amount written off. As per council resolution this amount was supposed to have been authorized by the Municipal Manager	Poor implementation of Council resolution. The difference was caused by the fact that the system could not write off the amount outstanding as at the time when council approved the resolution.	A report will be submitted to the Municipal Manager for his approval.	HOD: Revenue	28-Feb-09
10	<b>Value added tax</b>					
10.1	Journals not signed	Two journals to clear the VAT control account were not signed by a senior officials as proof of authorization	Oversight	All journals will be signed by the HOD: Expenditure	HOD: Expenditure	31-Jan-09
10.2	No supporting documentation could be obtained for VAT reconciling item			Resolved		
11	<b>Creditors</b>					
11.1	Non-compliance with the consumer deposit policy	Consumer deposits not calculated per the consumer deposit policy		Consumer deposit policy will be adhered to	HOD: Revenue	31-Jan-09
12	<b>Accruals</b>					
12.1	Bonus accrual understated	Accrual for bonuses understated by R 1.5 million		Addressed		
	<b>ANNEXURE C</b>					
3	Property Plant and equipment					
3.1	Asset disposals not removed from asset register	Assets sold not removed from the asset register	This refers to assets sold during the municipal auction. The delay experienced in getting the final report from the auctioneer resulted in delays in removing the assets from the asset register	The assets will be removed from the asset register	HOD: Expenditure	28-Feb-09
3.2	No physical verification of fixed assets		This was caused by capacity problems within the Expenditure division	The vacant positions will be filled and an asset count conducted before year-end	HOD: Expenditure	30-Apr-09
4	Employee costs					
4.1	Vacant positions not filled on time		Budget constraints			
4.2	Monthly reconciliation between the payroll and financial system			Addressed		

No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
5	Consumer deposits					
5.1	Listing of disconnections not provided	Reconciliation should be made between disconnections and deposits refunded on a monthly basis		Reconciliation will be made	HOD: Revenue	31-Jan-09
6	Creditors					
6.1	Creditors' journals processed not signed for authorization			All creditor journals will be signed by a senior official for approval	HOD: Revenue	31-Jan-09
9	Other					
9.1	No proof of quality assurance review of internal audit			Submission has already been made to National Treasury to conduct the quality review	Internal Auditor	30-Jun-09
9.2	Fraud prevention plan not in place	A fraud and anti-corruption strategy has been drafted but has not yet been submitted to Council for adoption		Plan will be finalized and submitted to Council	HOD: HR	31-Mar-09
10	Fruitless and wasteful expenditure					
10.1	No policy for unauthorized, irregular, fruitless and wasteful expenditure			Policy will be drafted and submitted to council for adoption	CFO	31-Mar-09
11	Environmental Audit					
11.1	Integrated water and sewerage plan	Adopted plan not updated	Capacity problems and inadequate resources	Several institutions have been approached to assist in funding for the development of the water and Sanitation Sector plans. The district will be engaged for assistance on this	Civil Engineering Manager	30-Jun-09
11.2	Integrated Disaster Management plan			The Municipality has a disaster management plan		
11.3	Waste and pollution management: Illegal dumping	Waste removal is not done in the whole municipal area		Municipality is piloting a rural waste minimization project. This will guide future rural waste management projects		
11.4	Waste and pollution management: Leachate and polluted run-off water	No surface water drains at the land fill site.			HOD: Solid waste	
11.5	Water management/Land invasion	*Squatting taking place below the 50 year flood line of the Letaba river *Street mechanics servicing vehicles on the bank of the Letaba river spilling used motor oil *Hawkers operating and disposing waste on the bank of the Letaba river			PED: land division	

No.	Description	Comments	Causes	Corrective measures	Responsible	Target date
11.6	Water management: catchment	Storm water drainage systems do not have grids at final outlets to prevent plastic bags and other waster items to be disposed off in streams and rivers	misdesign and vandalism	Some of the outlets grids were never installed during the construction and while mostly were vandalised or stolen.ESD will definitely see to it that a plan is effected to install all missing outlet grids by end of 2009.	Civil Engineering Manager	09-Dec-09
11.7	Water management: water-borne systems	Environmental impact assessment on groundwater quality and other related issues in areas where no water-borne sewage systems are in place not finalized		Study to be finalized in conjuction with Mopani district Municipality moreso that they are currently constructing VIP sanitation toilets in GTM area.	Civil Engineering Manager	09-Jun-09
11.8	Water management: water-borne systems	Quality of sewage effluent disposed of at the Nkowankowa water-borne sewage system and Lenyenye ponds not acceptable	Insufficient capacity and resources	Africon Consulting Engineers through DLGH is currently assisting on addressing water and sewerage related problems,amongst which nkowankowa and lenyenye sewer works will be adressed as well .A training will also be given to our operators on quality management particularly on effluent treatment .	Civil Engineering Manager	01-Apr-09
11.8	Law enforcement mechanisms	No enforcement of municipal by-laws dealing with environmental issues, viz.: *waste and pollution management *air quality and energy efficiency and *Land use planning	Capacity problems		Community services manager	

Chief Financial Officer:

Date

Municipal Manager:

Date

GREATER TZANEEN  
MUNICIPALITY

OFFICE OF THE  
MUNICIPAL MANAGER



# PERFORMANCE REPORT 2007/08

Outcome of the Performance Assessment for the 2007/08 financial Year.

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## **1. Background**

According to Section 41 (c) (ii) of the Municipal Systems Act, 2000 (Act No 32 of 2000) a Municipality must measure and review its performance at least once per year. The annual performance assessment for 2007/08 was initially scheduled to start on the 20<sup>th</sup> of August 2008. The assessment was however postponed and only commenced on the 15<sup>th</sup> of October 2008 with the assessment of the Heads of Departments (HODs). The composition of the Panel was agreed with the HODs in a meeting with the Municipal Manager and communicated through the Office of the Municipal Manager. As per this agreement the Panel for the HODs consisted of the relevant Manager, an HOD from another Department, a representative from Internal Audit and also the Performance Management Units. Each HOD had to submit a file to the Internal Audit unit on the day of assessment containing proof of performance. The report from the Internal Audit Division on these files is attached as **Annexure A**.

The assessment of Section 57 Managers was delayed and only took place in September of 2009. The panel for Section 57 Managers consisted of the Chairperson of the Performance Audit Committee, the Municipal Manager, a representative from the Executive committee, a representative from the Internal Audit committee, a representative from the Department of Local Government and Housing, a Manager from another municipality (was invited but could not attend) as well as a subordinate. For the MM the Mayor from another Municipality was invited but could not attend. Section 57 Managers were also required to submit files containing proof of performance, these were also audited by the Internal Audit Division. It should further be noted that though the scoring system stipulated in Regulation 805 was utilised for Section 57 Managers the system differed for HODs in that in their case 100% achievement were awarded a 5 as maximum. This was due to the fact that their “Performance Bonus” was part of their salary packages.

This report will further outline institutional performance regarding the 5 Key Performance Areas. However, since the report was finalised a year later than anticipated, due to the late assessment of Section 57 Managers, the recommendations for improving institutional performance will be included in the performance report for 2008/09.

## **2. Individual Performance**

The performance plans signed during 2007/08 were drafted in accordance with the five Key Performance Areas (KPAs) as required by the Department of Provincial and Local Government. These 5 KPAs are: Municipal Transformation and Organisational Development, Basic Service Delivery, Local Economic Development, Financial Viability and Good Governance and Public Participation. The performance in these KPAs contributed 80% to the total score of the individual while the other 20% was determined by measuring their performance in terms of the Core Competency Requirements (CCR). The weighting attributed to each KPA varied from one HOD to another depending on the main area of responsibility of that specific HOD. For example the main responsibility of the HOD Environmental Health is in the area of Basic Service Delivery therefore 65% of the average score for the HOD was derived from the performance in that specific KPA, only 10% from LED, 10% from Financial Viability and a further 15% from Good Governance. As this HOD had no direct impact on Municipal Transformation this carried no weighting. The average score per KPA was calculated using the score given by the HOD for him/herself as well as those of the Manager and peer as represented on the panel.

### **2.1 Community Services**

Since the Community Services Manager has been suspended the Manager for Transport, Safety, Security and Liaison agreed to form part of the panel for the HODs. The HODs for Environmental Health, Waste Management & Library Services were assessed. The HOD for Parks was not assessed the employee has only been acting for a short period. The Manager for Community Services was not assessed as the employee left the institution on a settlement agreement and was therefore not available for assessment.

#### **2.1.1 Environmental Health HOD**

The score achieved by the Environmental Health HOD is presented in Table 1:

<b>Table 1: Environmental Health Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.83</b>	<b>3.86</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	65	4.83	3.14
Local Economic Development (LED)	10	5	0.50
Municipal Financial Viability and Management	10	4.75	0.48
Good Governance and Public Participation	15	4.73	0.71
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.82</b>	<b>0.96</b>
<b>Overall Rating</b>			<b><u>4.83</u></b>
<b>% Total score</b>			<b>96.53%</b>

### 2.1.2 Library Services HOD

The score achieved by the Library Services HOD is presented in Table 2:

<b>Table 2: Library Services Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.94</b>	<b>3.96</b>
Municipal Institutional Development and Transformation	0	0	0.00
Basic Service Delivery	75	5	3.73
Local Economic Development (LED)	0	0	0
Municipal Financial Viability and Management	10	5	0.50
Good Governance and Public Participation	15	4.86	0.73
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.86</b>	<b>0.97</b>
<b>Overall Rating</b>			<b><u>4.93</u></b>
<b>% Total score</b>			<b>98.60%</b>

### **2.1.3 Parks and Recreational Facilities HOD**

No assessment took place.

### **2.1.4 Waste Management and Cleansing HOD**

The score achieved by the Waste management HOD is presented in Table 3:

<b>Table 3: Waste Management Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.99</b>	<b>3.99</b>
Municipal Institutional Development and Transformation	0	0	0.00
Basic Service Delivery	70	5	3.50
Local Economic Development (LED)	5	5	0.25
Municipal Financial Viability and Management	10	5	0.50
Good Governance and Public Participation	15	4.95	0.74
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.86</b>	<b>0.97</b>
<b>Overall Rating</b>			<b><u>4.96</u></b>
<b>% Total score</b>			<b><u>99.40%</u></b>

### **2.1.5 Community Services Manager**

Assessment did not take place

## **2.2 Corporate Services**

The HODs for Human Resource, Administrative Support, Legal Services and Public Participation were assessed. The Manager for Corporate Services as well as the HOD for Communications and Marketing could not be assessed as they resigned and were therefore not available for assessment.

### 2.2.1 Administrative Support HOD

The score achieved by the Administrative Support HOD is presented in Table 4:

<b>Table 4: Administrative Support Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>5.00</b>	<b>4.00</b>
Municipal Institutional Development and Transformation	10	5	0.50
Basic Service Delivery	0	0	0.00
Local Economic Development (LED)	0	0	0
Municipal Financial Viability and Management	10	5	0.50
Good Governance and Public Participation	80	4.99	3.99
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.95</b>	<b>0.99</b>
<b>Overall Rating</b>			<b><u>4.99</u></b>
<b>% Total score</b>			<b>99.77%</b>

### 2.2.2 Human Resource Management HOD

The score achieved by the Human Resource Management HOD is presented in Table 5:

<b>Table 5: Human Resources Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.98</b>	<b>3.98</b>
Municipal Institutional Development and Transformation	50	5	2.46
Basic Service Delivery	5	5	0.25
Local Economic Development (LED)	5	5	0.25
Municipal Financial Viability and Management	10	5	0.50
Good Governance and Public Participation	30	4.96	1.49
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.68</b>	<b>0.94</b>

**Table 5: Human Resources Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Overall Rating</b>			<b><u>4.92</u></b>
<b>% Total score</b>			<b>98.34%</b>

### 2.2.3 Legal Services HOD

The score achieved by the Legal Services HOD is presented in Table 6:

**Table 6: Legal Services Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.94</b>	<b>3.96</b>
Municipal Institutional Development and Transformation	5	5	0.25
Basic Service Delivery	5	5	0.25
Local Economic Development (LED)	15	5	0.75
Municipal Financial Viability and Management	15	5	0.75
Good Governance and Public Participation	60	4.72	2.83
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.85</b>	<b>0.97</b>
<b>Overall Rating</b>			<b><u>4.92</u></b>
<b>% Total score</b>			<b>98.50%</b>

### 2.2.4 Public Participation and Project Support HOD

The score achieved by the Public Participation and Project Support HOD is presented in Table 7:

**Table 7: Public Participation & Project Support Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.44</b>	<b>3.62</b>

**Table 7: Public Participation & Project Support Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
Municipal Institutional Development and Transformation	0	0	0
Basic Service Delivery	15	5	0.75
Local Economic Development (LED)	15	5	0.733
Municipal Financial Viability and Management	15	3.21	0.48
Good Governance and Public Participation	55	4.65	2.56
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.65</b>	<b>0.93</b>
<b>Overall Rating</b>			<b><u>4.55</u></b>
<b>% Total score</b>			<b><u>90.96%</u></b>

### **2.2.5 Communications and Marketing HOD**

Assessment could not take place as the employee left the institution on a settlement agreement and was therefore not available for assessment.

### **2.2.6 Corporate Services Manager**

Assessment did not take place

## **2.3 Electrical Engineering Department**

The HODs for Electrical Projects, Rural Operations and Maintenance and Urban Operations and Maintenance were assessed.

### **2.3.1 Electrical Projects HOD**

The score achieved by the Electrical Projects HOD is presented in Table 8:

**Table 8: Electrical Projects Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.92</b>	<b>3.94</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	80	5.00	4.00
Local Economic Development (LED)	0	0.00	0.00
Municipal Financial Viability and Management	10	5.00	0.50
Good Governance and Public Participation	10	4.76	0.48
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.73</b>	<b>0.95</b>
<b>Overall Rating</b>			<b><u>4.88</u></b>
<b>% Total score</b>			<b>97.64%</b>

### 2.3.2 Rural Operations and Maintenance HOD

The score achieved by the Rural Operations and Maintenance HOD is presented in Table 9:

**Table 9: Rural Operations and Maintenance Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.91</b>	<b>3.93</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	75	4.95	3.71
Local Economic Development (LED)	0	0.00	0.00
Municipal Financial Viability and Management	10	4.83	0.48
Good Governance and Public Participation	15	4.95	0.74
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.85</b>	<b>0.97</b>
<b>Overall Rating</b>			<b><u>4.90</u></b>
<b>% Total score</b>			<b>97.98%</b>

### 2.3.3 Urban Operations and Maintenance HOD

The score achieved by the Urban Operations and Maintenance HOD is presented in Table 10:

<b>Table 10: Urban Operations and Maintenance Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.83</b>	<b>3.87</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	70	4.91	3.43
Local Economic Development (LED)	10	5.00	0.50
Municipal Financial Viability and Management	10	4.92	0.49
Good Governance and Public Participation	10	4.51	0.45
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.92</b>	<b>0.98</b>
<b>Overall Rating</b>			<b>4.85</b>
<b>% Total score</b>			<b>97.05%</b>

### 2.3.4 Electrical Engineering Manager

The score achieved by Electrical Engineering Manager is presented in Table 11:

<b>Table 11: Electrical Engineering Manager Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>2.99</b>	<b>2.39</b>
Municipal Institutional Development and Transformation	10	3.13	0.31
Basic Service Delivery	60	3.01	1.81
Local Economic Development (LED)	10	3.00	0.30
Municipal Financial Viability and Management	10	2.96	0.30
Good Governance and Public Participation	10	2.85	0.28

**Table 11: Electrical Engineering Manager Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Competencies</b>	<b>20</b>	<b>2.83</b>	<b>0.57</b>
<b>Overall Rating =</b>			<b><u>2.96</u></b>
<b>% Total score</b>			<b>98.56%</b>

## 2.4 Engineering Services Department

The HODs for Building and Maintenance, Roads and Stormwater and the Project Management Unit were assessed. The HOD for Water and Sewer resigned and therefore the assessment could not take place. The HOD for Building and Maintenance, who was acting Engineering Services Manager during the 2007/08 financial year formed part of the panel for the HODs. The acting HOD for Engineering Services was however not assessed in the acting position.

### 2.4.1 Building and Maintenance HOD

The score achieved by the Building and Maintenance HOD is presented in Table 12:

**Table 12: Building and Maintenance Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.97</b>	<b>3.98</b>
Municipal Institutional Development and Transformation	0	0	0.00
Basic Service Delivery	80	5	3.98
Local Economic Development (LED)	0	0	0
Municipal Financial Viability and Management	10	5	0.50
Good Governance and Public Participation	10	4.94	0.49
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.48</b>	<b>0.90</b>

**Table 12: Building and Maintenance Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Overall Rating</b>			<b><u>4.87</u></b>
<b>% Total score</b>			<b>97.47%</b>

#### **2.4.2 Roads and Storm water HOD**

The score achieved by the Roads and Storm water HOD is presented in Table 13:

**Table 13: Roads & Storm water Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.81</b>	<b>3.85</b>
Municipal Institutional Development and Transformation	0	0	0
Basic Service Delivery	70	5	3.47
Local Economic Development (LED)	10	5	0.5
Municipal Financial Viability and Management	10	4.42	0.44
Good Governance and Public Participation	10	4.89	0.49
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.36</b>	<b>0.87</b>
<b>Overall Rating</b>			<b><u>4.72</u></b>
<b>% Total score</b>			<b>94.47%</b>

#### **2.4.3 Water and Sewer HOD**

Assessment did not take place as the employee resigned.

#### **2.4.4 Project Management Unit HOD**

The score achieved by the Project Management Unit HOD is presented in Table 14:

**Table 14: PMU Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.94</b>	<b>3.95</b>
Municipal Institutional Development and Transformation	0	0	0
Basic Service Delivery	80	5	4
Local Economic Development	0	0	0
Municipal Financial Viability and Management	10	5	0.5
Good Governance and Public Participation	10	4.81	0.48
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.61</b>	<b>0.92</b>
<b>Overall Rating</b>			<b><u>4.87</u></b>
<b>% Total score</b>			<b><u>97.41%</u></b>

#### **2.4.5 Engineering Services Manager**

Assessment did not take place as the HOD acting in the position was not available for assessment.

### **2.5 Office of the Chief Financial Officer**

The HODs for Expenditure, Financial Services and Reporting and Revenue were assessed. There is currently no HOD for Information Technology and the Supply Chain Management Division. The CFO was also assessed.

#### **2.5.1 Expenditure HOD**

The score achieved by the Expenditure HOD is presented in Table 15:

**Table 15: Expenditure Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.95</b>	<b>3.96</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	5	5	0.25
Local Economic Development (LED)	10	5	0.50
Municipal Financial Viability and Management	65	4.97	3.23
Good Governance and Public Participation	20	4.82	0.96
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.92</b>	<b>0.98</b>
<b>Overall Rating</b>			<b><u>4.94</u></b>
<b>% Total score</b>			<b><u>98.86%</u></b>

**NB:** No file or document was submitted. The panel agreed that from 2008/9 no assessment will be considered without portfolio of evidence/files.

### 2.5.2 Financial Services and Reporting HOD

The score achieved by the Financial Services and Reporting HOD is presented in Table 16:

<b>Table 16: Financial Services &amp; Reporting Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>5.00</b>	<b>4.00</b>
Municipal Institutional Development and Transformation	0	0	0.00
Basic Service Delivery	0	0	0.00
Local Economic Development (LED)	0	0	0.00
Municipal Financial Viability and Management	80	5	4.00
Good Governance and Public Participation	20	5	1.00
<b>Core Competency Requirements</b>	<b>20</b>	<b>5.00</b>	<b>1.00</b>
<b>Overall Rating</b>			<b><u>5.00</u></b>
<b>% Total score</b>			<b><u>100.00%</u></b>

### 2.5.3 Revenue HOD

The score achieved by the Revenue HOD is presented in Table 17:

<b>Table 17: Revenue - Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.84</b>	<b>3.88</b>
Municipal Institutional Development and Transformation	0	0	0.00
Basic Service Delivery	10	5	0.50
Local Economic Development (LED)	10	5	0.50
Municipal Financial Viability and Management	65	4.89	3.18
Good Governance and Public Participation	15	4.49	0.67
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.53</b>	<b>0.91</b>
<b>Overall Rating</b>			<b><u>4.78</u></b>
<b>% Total score</b>			<b>95.63%</b>

### 2.5.4 Chief Financial Officer

The score achieved by the CFO is presented in Table 18:

<b>Table 18: CFO Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>2.69</b>	<b>2.15</b>
Municipal Institutional Development and Transformation	10	3	0.30
Basic Service Delivery	10	3.23	0.32
Local Economic Development (LED)	10	1.67	0.17
Municipal Financial Viability and Management	40	2.91	1.16

**Table 18: CFO Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
Good Governance and Public Participation	30	2.65	0.79
<b>Competencies</b>	<b>20</b>	<b>3.15</b>	<b>0.63</b>
<b>Overall Rating =</b>			<b><u>2.78</u></b>
<b>% Total score</b>			<b>92.76%</b>

The scoresheet submitted by the CFO contained no indication of the actual performance achieved with regard to Projects and KPIs thereby making it extremely difficult to assess both individual and institutional performance in this regard.

## 2.6 Office of the Municipal Manager

The HOD for Internal Audit and the MM were assessed.

### 2.6.1 Internal Audit HOD

The score achieved by the Internal Audit HOD is presented in Table 19:

**Table 19: Internal Audit Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.86</b>	<b>3.89</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	0	0.00	0.00
Local Economic Development (LED)	0	0.00	0
Municipal Financial Viability and Management	40	5	2.00
Good Governance and Public Participation	60	4.72	2.83
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.89</b>	<b>0.98</b>
<b>Overall Rating</b>			<b><u>4.87</u></b>
<b>% Total score</b>			<b>97.31%</b>

### 2.6.2 Municipal Manager

The score achieved by the MM is presented in Table 20:

<b>Table 20: MM Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>3.24</b>	<b>2.59</b>
Municipal Institutional Development and Transformation	10	3.58	0.36
Basic Service Delivery	30	3.25	0.97
Local Economic Development (LED)	30	2.88	0.8625
Municipal Financial Viability and Management	20	3.34	0.67
Good Governance and Public Participation	10	3.14	0.31
<b>Core Competency Requirements</b>	<b>20</b>	<b>3.52</b>	<b>0.70</b>
<b>Overall Rating =</b>			<b><u>3.29</u></b>
<b>% Total score</b>			<b><u>109.74%</u></b>

## 2.7 Planning and Economic Development

The HODs for Socio-Economic Development, Tourism and LED and Land, Property and Housing as well as the HOD for Town Planning were assessed. The PED manager was also assessed.

### 2.7.1 Land, Property and Housing HOD

The score achieved by the Land, Property and Housing HOD is presented in Table 21:

<b>Table 21: Land, Property and Housing Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.61</b>	<b>3.69</b>
Municipal Institutional Development and Transformation	0	0.00	0.00

**Table 21: Land, Property and Housing Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
Basic Service Delivery	40	4.65	1.86
Local Economic Development (LED)	35	4.47	1.57
Municipal Financial Viability and Management	10	4.78	0.48
Good Governance and Public Participation	15	4.53	0.68
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.67</b>	<b>0.93</b>
<b>Overall Rating</b>			<b><u>4.62</u></b>
<b>% Total score</b>			<b>92.39%</b>

### 2.7.2 Socio-Economic Development, Tourism and LED HOD

The score achieved by the Socio-Economic Development, Tourism and LED HOD is presented in Table 22:

**Table 22: Socio-Economic Development, Tourism and LED Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.76</b>	<b>3.81</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	0	0.00	0.00
Local Economic Development (LED)	75	4.76	3.57
Municipal Financial Viability and Management	10	4.75	0.48
Good Governance and Public Participation	15	4.78	0.72
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.82</b>	<b>0.96</b>
<b>Overall Rating =</b>			<b><u>4.78</u></b>
<b>% Total score</b>			<b>95.51%</b>

### 2.7.3 Town Planning HOD

The score achieved by the Town Planning HOD is presented in Table 23:

<b>Table 23: Town Planning Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>5.00</b>	<b>4.00</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	10	5.00	0.50
Local Economic Development (LED)	65	4.98	3.24
Municipal Financial Viability and Management	10	5.00	0.50
Good Governance and Public Participation	15	5.00	0.75
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.62</b>	<b>0.92</b>
<b>Overall Rating =</b>			<b><u>4.92</u></b>
<b>% Total score</b>			<b>98.42%</b>

### 2.7.4 PED Manager

The score achieved by the PED Manager is presented in Table 24:

<b>Table 24: PED Manager Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>3.45</b>	<b>2.76</b>
Municipal Institutional Development and Transformation	10	3.61	0.36
Basic Service Delivery	10	3.61	0.36
Local Economic Development (LED)	60	3.43	2.06
Municipal Financial Viability and Management	10	3.42	0.34
Good Governance and Public Participation	10	3.17	0.32

**Table 24:PED Manager Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Competencies</b>	<b>20</b>	<b>3.36</b>	<b>0.67</b>
<b>Overall Rating =</b>			<b><u>3.43</u></b>
<b>% Total score</b>			<b>114.26%</b>

## **2.8 Transport, Safety, Security and Liaison**

The HODs for Law Enforcement and Licensing and Testing were assessed. The Manager for Transport, Safety Security and Liaison was not assessed as the employee was in dispute with Council regarding changes to his contract.

### **2.8.1 Law Enforcement HOD**

The score achieved by the Law Enforcement HOD is presented in Table 25:

**Table 25: Law Enforcement Summary of Scores for 2007/08**

<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.89</b>	<b>3.91</b>
Municipal Institutional Development and Transformation	0	0.00	0.00
Basic Service Delivery	70	4.89	3.42
Local Economic Development (LED)	0	0.00	0.00
Municipal Financial Viability and Management	15	5.00	0.75
Good Governance and Public Participation	15	4.79	0.72
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.67</b>	<b>0.93</b>
<b>Overall Rating</b>			<b><u>4.85</u></b>
<b>% Total score</b>			<b>96.91%</b>

### **2.8.2 Licensing & Testing HOD**

The score achieved by the Licensing and Testing HOD is presented in Table 26:

<b>Table 26: Licensing &amp; Testing Summary of Scores for 2007/08</b>			
<b>Position Outcomes/Outputs</b>	<b>Assessment Weighting</b>	<b>Average score</b>	<b>Weighted Assessment Score</b>
<b>Key Performance Areas</b>	<b>80</b>	<b>4.98</b>	<b>3.99</b>
Municipal Institutional Development and Transformation	0	0	0.00
Basic Service Delivery	75	5	3.75
Local Economic Development (LED)	0	0	0.00
Municipal Financial Viability and Management	10	5.00	0.50
Good Governance and Public Participation	15	4.95	0.74
<b>Core Competency Requirements</b>	<b>20</b>	<b>4.91</b>	<b>0.98</b>
<b>Overall Rating</b>			<b><u>4.97</u></b>
<b>% Total score</b>			<b><u>99.38%</u></b>

### **2.8.3 Transport, Safety, Security and Liaison Manager**

Assessment still to take place

## **2.9 Summary of scores**

Table 27 presents a summary of all individual scores achieved by HODs in chronological order.

<b>Table 27: Summary of Scores by HODs for 2007/08</b>			
	<b>HOD</b>	<b>Average Score</b>	<b>Percentage</b>
1	Financial Services & Reporting	5	100
2	Administrative Support	4.99	99.77
3	Waste Management	4.96	99.4
4	Licensing and Testing	4.97	99.38
5	Expenditure	4.94	98.86
6	Library Services	4.93	98.6

**Table 27: Summary of Scores by HODs for 2007/08**

	<b>HOD</b>	<b>Average Score</b>	<b>Percentage</b>
7	Legal Services	4.92	98.5
8	Town Planning	4.92	98.42
9	Human Resource	4.92	98.34
10	Rural Operations and Maintenance	4.9	97.98
11	Internal Audit	4.87	97.81
12	Electrical Projects	4.88	97.64
13	Building and Maintenance	4.87	97.47
14	Project Management Unit	4.87	97.41
15	Urban Operations and Maintenance	4.85	97.05
16	Law Enforcement	4.85	96.91
17	Environmental Health	4.83	96.53
18	Revenue	4.78	95.63
19	Socio-Economic Development, LED & Tourism	4.78	95.51
20	Roads and Storm water	4.72	94.47
21	Land, Property & Housing	4.62	92.39
22	Public Participation & Project Support	4.55	90.96
23	IT	n/a	n/a
24	Parks and Recreational Facilities	n/a	n/a
25	Water and Sewer	n/a	n/a
26	Communications and Marketing	n/a	n/a
27	Supply Chain Management	n/a	n/a

The payment of performance bonuses for HODs will be based on the following scale contained in the Performance Plans (see Table 28):

**Table 28: Sliding scale for performance bonuses**

<b>Final Score (%)</b>	<b>Reward</b>
91-100	100%
81-90	75%
71-80	50%
61-70	25%

< 60	Compulsory performance counseling
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Table 29 presents a summary of all individual scores achieved by Managers in chronological order.

**Table 29: Summary of Scores by Section 57 Managers for 2007/08**

	Section 57 Manager	Average Score	Percentage
1	PED	3.43	114.26%
2	MM	3.29	109.74%
3	Electrical Engineering	2.96	98.56%
4	Corporate Services	n.a	n.a
5	Community Services	n.a	n.a
6	Engineering Services	n.a	n.a
7	Transport, Safety, Security & Liaison	n.a	n.a

The payment of performance bonuses for Section 57 Managers will be based on the following scale contained in the Performance Agreements (see Table 20):

**Table 30: Reward scale for Section 57 Managers**

Final Score (%)	Reward
100-129%	0
130-149%	5-9%
150% and more	10-14%

Note: Specific bonus percentages will be determined on a sliding scale, proportionately to the points scored, rounded up to the next 0.25 percentage. eg. 136% score = 6.678% = 6.75% bonus.

### **3. Concerning issues regarding individual performance assessment process**

#### **3.1 Logistical Arrangements for the assessment**

The 2007/08 performance assessments of the HODs were announced through a Memo from the Office of the Municipal Manager indicating certain logistical arrangements but ignoring others. The result was that the assessment was uncoordinated and only through the intervention of the Internal Audit Unit and PED could the assessments take place in an coordinated manner.

#### **3.2 Composition of the Panel**

As per the memo sent by the Municipal Manager the Panel for the HODs consisted only of 2 scoring members, that is the Manager and an HOD from another Department. A representative from the Internal Audit unit was present to audit the proceedings and also the files, with the representative from the Performance Management unit taking minutes for report writing purposes. The panel needs to be strengthened with a subordinate, as was done for the 2006/07 assessment, to ensure that a 360° assessment is done. It was also noted with concern that the HODs that were selected for the panel was limited to a few HODs only, usually those that were available on short notice, mainly due to the poor logistical arrangements. It therefore happened in some instances that one HOD was on the panel for all the HODs from another Department. The Manager for each Department should in future nominate the HODs to form part of the panel for their HODs and confirm their availability.

#### **3.3 Score sheets submitted**

As with the 2006/07 assessment the quality of the score sheets submitted by HODs remain a huge concern. In preparation for the 2007/08 assessments departmental sessions were arranged with each department to go through the score sheet to ensure that all are familiar with the format and clear on what information is required. In spite of this very few HODs completed the score sheet as per the template. In certain cases HODs had to be referred back to correct the information to enable the panel to utilise their score sheets. It is therefore advisable that each Manager sit with his/her HODs prior to the assessment to confirm that the

score sheets are completed correctly. This will enable the PMS unit to do a proper analysis of institutional performance unlike with the current limited information.

### **3.4 Files submitted**

As recommended in the Performance Report for 2006/07 a set of guidelines for the submission of files was distributed and discussed during the Departmental sessions as mentioned earlier. Although a great improvement was noticeable in the quality of the files submitted there remained HODs who submitted files that were not properly referenced and could therefore not be audited (see **Annexure A**). The score achieved by individuals whose files are not in order is therefore questionable and should in future carry a penalty. In addition to this, the non-submission of files also does not carry a penalty, an issue that should be corrected in the PMS policy.

### **3.5 Application of scoring system**

The application of the scoring system as prescribed by Regulation 805, for Section 57 Managers, is a concerning point. The incorrect application of the scoring system by some individuals tends to mislead external panel members on actual performance and an unfair advantage in the outcome of the panel scores. However, since the scoring is left open for interpretation by each panel member it will remain a contentious issue. The fact that employees have good excuses for not delivering on what was expected, should not warrant high scores.

### **3.6 Outstanding assessments**

The performance assessment of four HODs and 4 Section 57 Managers did not take place. Since the performance assessment of the individual is integrated with that of the institution, the institutional performance of the relevant departments is therefore incomplete.

## **4. Institutional Performance**

The institutional performance assessment is integrated with the individual performance assessment process and could therefore only be completed upon the finalisation of the assessment of Section 57 Managers. The assessment of the Section 57 Managers took place in September of 2009, a year later than anticipated, together with the assessment for the 2008/09 financial year. The institutional performance report will therefore only highlight the major concerning issues, with a more detailed analysis provided in the 2008/09 performance report.

### **4.1 Municipal Institutional Development and Transformation**

The main concerning areas are as follows:

- HR strategy could not be finalised due to the poor performance of the service provider
- 33 Disciplinary cases were recorded during 2007/08
- Implementation of the Work place skills plan hampered by the poor financial situation of GTM
- Performance Plans were signed 6 months late
- The performance assessment of Section 57 Managers was continually postponed and took place a year later than expected

### **4.2 Basic Service Delivery**

The main concerning areas are as follows:

- Integrated Infrastructure Development plan was not developed
- 5-Year Capital Investment plan not developed
- The limited funds available to maintain infrastructure
- The non-availability of capital funds for infrastructure development and upgrading
- Supply Chain Management hamper service delivery by taking long to appoint contractors and through the appointment of contractors that are not competent.

### **4.3 Local Economic Development (LED)**

The main concerning areas are as follows:

- Infrastructure Intervention plan was not developed
- The non-implementation of a GIS is severely affecting the ability of GTM to do infrastructure planning
- IDP Project Prioritisation Model was not finalised

#### **4.4 Municipal Financial Viability and Management**

The main concerning areas are as follows:

- The non submission of the actual performance achieved for the CFO makes it impossible to assess municipal performance with regard to Financial Viability
- Overdraft decreased from R21m to R12m but cash flow remains a problem
- Low payment rate for households in Lenyenye and Nkowankowa
- Cost Recovery Strategy not finalised

#### **4.5 Good Governance and Public Participation**

The main concerning areas are as follows:

- The Community Based Planning process has come to a total standstill
- Water Service Authority status not acquired
- Municipal Information System not developed
- Quarterly performance assessments not conducted

## **5. Recommendations**

- 5.1 That all positions be assessed even if the employee is only in an acting capacity, in order to determine the institutional performance of that division if not that of the individual.
- 5.2 That the payment of performance rewards should not be considered in the cases where the Portfolio of evidence was not submitted or could not be audited.
- 5.3 That the PMS policy be revised to address the gaps identified through the assessment process.
- 5.4 Performance Bonuses has already been paid for HODs following their assessment in 2008. No Performance Bonuses will be paid to Section 57 Managers for the 2007/08 Financial year as none qualify.